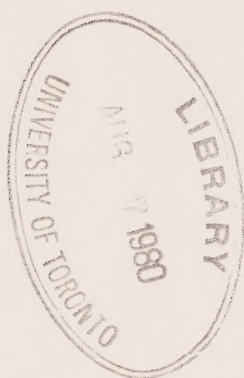


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PROVINCIAL
AUDITOR'S *Office*
REPORT

(1948-49)

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO

TORONTO

Printed and Published by Baptist Johnston
Printer to the King's Most Excellent Majesty

1950

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PROVINCIAL AUDITOR'S REPORT

1948-49

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
SESSIONAL PAPER No. 3, 1950



ONTARIO

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TO THE HONOURABLE RAY LAWSON, O.B.E.,
Lieutenant-Governor of the Province of Ontario

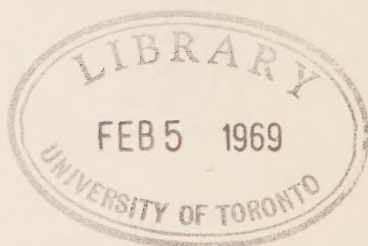
MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the Report of the Provincial Auditor for the fiscal year ended March 31st, 1949.

Respectfully submitted,

LESLIE M. FROST,
Treasurer

Treasury Department, Ontario
December 20th, 1949



REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1949, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.



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REPORT OF THE PROVINCIAL AUDITOR

1948 - 1949

I have the honour to present my report to the Legislative Assembly, on the examination and audit of the accounts of Ontario for the fiscal year ended March 31, 1949, in accordance with the requirements of The Audit Act.

The Balance Sheet of the Province of Ontario as at March 31, 1949, the Statements of Revenue and Expenditure for the year ended on that date, and other related schedules, published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related schedules are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1949, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

There has been no change in the basis of accounting during the fiscal year.

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been followed, although the Balance Sheet states the financial position of the Province at March 31, 1949, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1949

The statements which follow summarize the operating results for the 1949 fiscal year. The budget and interim forecasts are shown in conjunction with the actual figures for comparative purposes.

COMPARATIVE SUMMARY

BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1948 TO MARCH 31, 1949

	BUDGET	ACTUAL	ACTUAL OVER BUDGET
Net Ordinary Revenue.....	\$177,776,900.00	\$215,469,613.61	\$37,692,713.6
Less: Net Ordinary Expenditure (before providing for Sinking Funds and Maturing Railway Aid Certificates).....	<u>171,951,321.00</u>	<u>190,693,799.81</u>	<u>18,742,478.81</u>
Surplus (before providing for Sinking Funds and Maturing Railway Aid Certificates).....	\$ 5,825,579.00	\$ 24,775,813.80	\$18,950,234.80
Less: Provision for Sinking Funds and Maturing Railway Aid Certificates	<u>5,562,600.00</u>	<u>15,562,561.56</u>	<u>9,999,961.56</u>
Surplus.....	<u>\$ 262,979.00</u>	<u>\$ 9,213,252.24</u>	<u>\$ 8,950,273.24</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1948, TO MARCH 31, 1949**

	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture.....	\$ 1,043,000.00	\$ 1,082,278.65	\$ 39,278.65	\$
Attorney-General.....	1,145,200.00	1,415,897.06	270,697.06	
Education.....	110,000.00	506,161.18	396,161.18	
Health.....	1,987,800.00	2,484,479.68	496,679.68	
Highways:				
Main Office.....	10,000.00	11,083.74	1,083.74	
Gasoline Tax Branch.....	45,500,000.00	52,573,231.40	7,073,231.40	
Miscellaneous Permits Br.	110,000.00	163,898.50	53,898.50	
Motor Vehicles Branch.....	13,500,000.00	15,032,938.72	1,532,938.72	
	59,120,000.00	67,781,152.36	8,661,152.36	
Insurance.....	251,000.00	283,379.71	32,379.71	
Labour.....	170,000.00	224,349.91	54,349.91	
Lands and Forests.....	10,887,000.00	11,410,352.16	523,352.16	
Mines.....	2,400,000.00	3,234,387.80	834,387.80	
Municipal Affairs.....	200,000.00	299,633.23	99,633.23	
Provincial Secretary.....	610,000.00	648,738.63	38,738.63	
Provincial Treasurer:				
Main Office—Subsidy.....	3,155,000.00	3,155,007.48	7.48	
—Interest.....	71,200.00	71,229.86	29.86	
Liquor Authority Transfer				
Fees.....	600,000.00	1,234,556.89	634,556.89	
Liquor Control Board.....	26,000,000.00	38,000,000.00	12,000,000.00	
Controller of Revenue Branch:				
Succession Duty.....	15,000,000.00	15,994,839.08	994,839.08	
Corporation Tax.....	50,000,000.00	60,712,353.40	10,712,353.40	
Race Tracks.....	2,200,000.00	3,324,504.80	1,124,504.80	
Security Transfer Tax	750,000.00	874,218.59	124,218.59	
Land Transfer Tax.....	700,000.00	1,200,997.67	500,997.67	
Law Stamps.....	450,000.00	643,740.10	193,740.10	
Miscellaneous.....		72,039.66	72,039.66	
Motion Picture Cen- sorship & Theatre Inspection Br.....	198,000.00	252,120.79	54,120.79	
	99,124,200.00	125,535,608.32	26,411,408.32	
Public Works.....	38,000.00	45,242.77	7,242.77	
Public Welfare.....		3,957.70	3,957.70	
Reform Institutions.....	615,700.00	513,700.37		101,999.63
Travel & Publicity.....		294.08	294.08	
Miscellaneous.....	75,000.00			75,000.00
	<u>\$ 177,776,900.00</u>	<u>\$215,469,613.61</u>	<u>\$37,869,713.24</u>	<u>\$176,999.63</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1948, TO MARCH 31, 1949**

	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 7,850,920.00	\$ 7,832,979.05	\$	\$ 17,940.95
Attorney-General.....	5,992,690.00	7,040,599.45	1,047,909.45	
Education.....	44,221,000.00	47,812,478.48	3,591,478.48	
Health.....	21,901,600.00	22,496,178.05	594,578.05	
Highways.....	31,000,000.00	40,158,355.46	9,158,355.46	
Insurance.....	96,700.00	102,545.71	5,845.71	
Labour.....	859,992.00	862,385.50	2,393.50	
Lands and Forests.....	8,200,000.00	11,400,801.97	3,200,801.97	
Lieutenant-Governor.....	14,000.00	11,480.32		2,519.68
Mines.....	749,700.00	752,745.22	3,045.22	
Municipal Affairs.....	3,980,000.00	4,066,375.21	86,375.21	
Planning and Development....	606,845.00	647,334.44	40,489.44	
Prime Minister.....	45,355.00	41,180.10		4,174.90
Provincial Auditor.....	183,000.00	169,187.06		13,812.94
Provincial Secretary.....	1,525,700.00	1,388,496.34		137,203.66
Provincial Treasurer.....	1,885,550.00	2,263,936.61	378,386.61	
Public Welfare.....	16,934,519.00	17,710,660.99	776,141.99	
Public Works.....	2,497,000.00	2,320,586.50		176,413.50
Reform Institutions.....	4,418,600.00	4,270,415.23		148,184.77
Travel and Publicity.....	475,950.00	455,360.86		20,589.14
Stationery Account.....		30,719.48	30,719.48	
Miscellaneous.....	75,000.00			75,000.00
	<u>\$153,514,121.00</u>	<u>\$171,834,802.03</u>	<u>\$18,916,520.57</u>	<u>\$595,839.54</u>
Public Debt-				
Interest, Exchange, etc.....	18,437,200.00	18,858,997.78	421,797.78	
Sinking Fund Instalments & Railway Aid Certificates	5,562,600.00	15,562,561.56	9,999,961.56	
	<u>\$177,513,921.00</u>	<u>\$206,256,361.37</u>	<u>\$29,338,279.91</u>	<u>\$595,839.54</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1948 TO MARCH 31, 1949**

	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 2,000.00	\$ 5,506.01	\$ 3,506.01	\$
Highways.....	5,000.00	541,444.07	536,444.07	
Labour.....	4,000,000.00	5,330,848.41	1,330,848.41	
Lands and Forests.....	250,000.00	224,884.90		25,115.10
Mines.....	50,000.00	36,313.67		13,686.33
Provincial Secretary.....	2,438,750.00	3,345,415.78	906,665.78	
Provincial Treasurer.....	26,260,600.00	45,038,327.47	18,777,727.47	
Public Welfare.....		111,182.14	111,182.14	
Public Works.....		45,630.56	45,630.56	
Miscellaneous.....	75,000.00			75,000.00
	<u>\$ 33,081,350.00</u>	<u>\$ 54,679,553.01</u>	<u>\$ 21,712,004.44</u>	<u>\$113,801.43</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL PAYMENTS
FOR THE FISCAL YEAR APRIL 1, 1948 TO MARCH 31, 1949**

	BUDGET CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture.....	\$ 250,000.00	\$ 288,000.00	\$ 38,000.00	\$
Health.....		8,505,581.45	8,505,581.45	
Highways.....	26,000,000.00	28,438,531.78	2,438,531.78	
Labour.....	4,000,000.00	4,350,980.24	350,980.24	
Provincial Secretary.....	1,300,000.00	1,192,246.43		107,753.57
Provincial Treasurer.....	12,258,500.00	8,760,160.87		3,498,339.13
Public Welfare.....		47,398.39	47,398.39	
Public Works.....	7,250,000.00	5,523,128.53		1,726,871.47
Miscellaneous.....	75,000.00	197,957.65	122,957.65	
	<u>\$ 51,133,500.00</u>	<u>\$ 57,303,985.34</u>	<u>\$ 11,503,449.51</u>	<u>\$5,332,964.17</u>

COMPARATIVE SUMMARY

NET INTERIM * AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1948 TO MARCH 31, 1949

	INTERIM	ACTUAL	ACTUAL OVER INTERIM
Net Ordinary Revenue.....	\$ 206,034,000.00	\$ 215,469,613.61	\$ 9,435,613.61
Less: Net Ordinary Expenditure (before providing for Sinking Funds and Maturing Railway Aid Certificates).....	189,340,000.00	190,693,799.81	1,353,799.81
Surplus (before providing for Sinking Funds and Maturing Railway Aid Certificates).....	\$ 16,694,000.00	\$ 24,775,813.80	\$ 8,081,813.80
Less: Provision for Sinking Funds and Maturing Railway Aid Certificates.....	15,562,000.00	15,562,561.56	561.56
Surplus.....	<u>\$ 1,132,000.00</u>	<u>\$ 9,213,252.24</u>	<u>\$ 8,081,252.24</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1948 TO MARCH 31, 1949**

	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 1,084,000.00	\$ 1,082,278.65	\$	\$ 1,721.35
Attorney-General.....	1,314,000.00	1,415,897.06	101,897.06	
Education.....	280,000.00	506,161.18	226,161.18	
Health.....	2,346,000.00	2,484,479.68	138,479.68	
Highways:				
Main Office.....	10,000.00	11,083.74	1,083.74	
Gasoline Tax Branch..	51,320,000.00	52,573,231.40	1,253,231.40	
Miscellaneous Permits Branch.....	140,000.00	163,898.50	23,898.50	
Motor Vehicles Branch	14,000,000.00	15,032,938.72	1,032,938.72	
	<u>65,470,000.00</u>	<u>67,781,152.36</u>	<u>2,311,152.36</u>	
Insurance.....	287,000.00	283,379.71		3,620.29
Labour.....	212,000.00	224,349.91	12,349.91	
Lands and Forests.....	11,259,000.00	11,410,352.16	151,352.16	
Mines.....	2,607,000.00	3,234,387.80	627,387.80	
Municipal Affairs.....	289,000.00	299,633.23	10,633.23	
Provincial Secretary.....	629,000.00	648,738.63	19,738.63	
Provincial Treasurer:				
Main Office—Subsidy	3,155,000.00	3,155,007.48	7.48	
—Interest	71,000.00	71,229.86	229.86	
Liquor Authority Trans- fer Fees.....	1,205,000.00	1,234,556.89	29,556.89	
Liquor Control Board	35,000,000.00	38,000,000.00	3,000,000.00	
Controller of Revenue Branch:				
Succession Duty.....	15,500,000.00	15,994,839.08	494,839.08	
Corporation Tax.....	58,500,000.00	60,712,353.40	2,212,353.40	
Race Tracks.....	3,324,000.00	3,324,504.80	504.80	
Security Transfer Tax.....	825,000.00	874,218.59	49,218.59	
Land Transfer Tax	1,211,000.00	1,200,997.67		10,002.33
Law Stamps.....	620,000.00	643,740.10	23,740.10	
Miscellaneous.....	52,000.00	72,039.66	20,039.66	
Motion Picture Cen- sorship and Theatre Inspection Branch..	246,000.00	252,120.79	6,120.79	
	<u>119,709,000.00</u>	<u>125,535,608.32</u>	<u>5,836,610.65</u>	<u>10,002.33</u>
Public Works.....	42,000.00	45,242.77	3,242.77	
Reform Institutions.....	502,000.00	513,700.37	11,700.37	
Public Welfare.....	4,000.00	3,957.70		42.30
Travel and Publicity.....		294.08	294.08	
	<u>\$ 206,034,000.00</u>	<u>\$ 215,469,613.61</u>	<u>\$ 9,450,999.88</u>	<u>\$ 15,386.27</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1948 TO MARCH 31, 1949**

	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 7,402,000.00	\$ 7,832,979.05	\$ 430,979.05	\$ 552,400.55
Attorney-General.....	7,593,000.00	7,040,599.45		
Education.....	46,664,000.00	47,812,478.48	1,148,478.48	
Health.....	22,225,000.00	22,496,178.05	271,178.05	
Highways.....	39,298,000.00	40,158,355.46	860,355.46	
Insurance.....	106,000.00	102,545.71		3,454.29
Labour.....	870,000.00	862,385.50		7,614.50
Lands and Forests.....	11,410,000.00	11,400,801.97		9,198.03
Lieutenant-Governor.....	11,000.00	11,480.32	480.32	
Mines.....	755,000.00	752,745.22		2,254.78
Municipal Affairs.....	4,078,000.00	4,066,375.21		11,624.79
Planning and Development	624,000.00	647,334.44	23,334.44	
Prime Minister.....	43,000.00	41,180.10		1,819.90
Provincial Auditor.....	180,000.00	169,187.06		10,812.94
Provincial Secretary.....	1,380,000.00	1,388,496.34	8,496.34	
Provincial Treasurer.....	2,338,000.00	2,263,936.61		74,063.39
Public Welfare.....	18,356,000.00	17,710,660.99		645,339.01
Public Works.....	2,417,000.00	2,320,586.50		96,413.50
Reform Institutions.....	4,413,000.00	4,270,415.23		142,584.77
Travel and Publicity.....	454,000.00	455,360.86	1,360.86	
Stationery Account.....	20,000.00	30,719.48	10,719.48	
	<u>\$ 170,637,000.00</u>	<u>\$ 171,834,802.03</u>	<u>\$ 2,755,382.48</u>	<u>\$ 1,557,580.45</u>
Public Debt—				
Interest, Exchange, etc.	18,703,000.00	18,858,997.78	155,997.78	
Sinking Fund Instal- ments & Railway Aid Certificates.....	15,562,000.00	15,562,561.56	561.56	
	<u>\$ 204,902,000.00</u>	<u>\$ 206,256,361.37</u>	<u>\$ 2,911,941.82</u>	<u>\$ 1,557,580.4</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1948 TO MARCH 31, 1949**

	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 5,000.00	\$ 5,506.01	\$ 506.01	\$
Highways.....	345,000.00	541,444.07	196,444.07	
Labour.....	5,100,000.00	5,330,848.41	230,848.41	
Lands and Forests.....	229,000.00	224,884.90		4,115.
Mines.....	40,000.00	36,313.67		3,686.
Provincial Secretary.....	3,409,000.00	3,345,415.78		63,584.
Provincial Treasurer.....	44,793,000.00	45,038,327.47	245,327.47	
Public Welfare.....		111,182.14	111,182.14	
Public Works.....		45,630.56	45,630.56	
	<u>\$ 53,921,000.00</u>	<u>\$ 54,679,553.01</u>	<u>\$ 829,938.66</u>	<u>\$ 71,385.</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
PAYMENTS FOR THE FISCAL YEAR APRIL 1, 1948 TO MARCH 31, 1949**

	NET INTERIM CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 375,000.00	\$ 288,000.00	\$	\$ 87,000.00
Health.....	9,380,000.00	8,505,581.45		874,418.55
Highways.....	29,912,000.00	28,438,531.78		1,473,468.22
Labour.....	4,350,000.00	4,350,980.24	980.24	
Lands and Forests.....	18,000.00			18,000.00
Provincial Secretary.....	1,182,000.00	1,192,246.43	10,246.43	
Provincial Treasurer.....	7,851,000.00	8,760,160.87	909,160.87	
Public Welfare.....		47,398.39	47,398.39	
Public Works.....	5,580,000.00	5,523,128.53		56,871.47
Miscellaneous.....		197,957.65	197,957.65	
	<u>\$ 58,648,000.00</u>	<u>\$ 57,303,985.34</u>	<u>\$ 1,165,743.58</u>	<u>\$2,509,758.24</u>

*10 months' actual—2 months' forecast.

I refer hereunder to certain matters relating to the operations of the year 1949.

During the year net capital expenditures on King's Highways, Development Roads and Municipal Road Subsidies amounted to \$28,120,671.25.

Capital payments were made to the Hydro-Electric Power Commission of Ontario in the amount of \$8,028,568.00 to assist in rural electrification projects.

Public Works and Buildings were added to during the year by the capital expenditure of \$5,523,128.53.

Sinking Fund Instalments of \$15,550,000.00 were provided through Ordinary Account.

Contributions by the Province to the Teachers' and Inspectors' Superannuation Fund and the Ontario Public Service Superannuation Fund amounted to \$2,109,538.10 and \$1,152,401.30 respectively. These contributions are in accordance with the requirements of the respective enactments relative thereto but, in my opinion, the receipts of the Teachers' and Inspectors' and Ontario Public Service Superannuation Funds comprised of contributions from employees together with equivalent contributions from the Government, Boards, Commissions and Municipalities and interest earned, are insufficient to meet the actuarial requirements of the Funds.

It is pointed out that the Province should adopt the principle of providing a full for future superannuation benefits in the year in which the service which gives rise to the right thereto is rendered.

AUDIT OF REVENUE

I have to report that, as a result of examinations of the revenues of various departments, I am of the opinion that the revenues of the Province are being fully accounted for.

A continuous audit is maintained of the revenues of the Province.

The systems of internal control and the accounting procedures in operation in the various departments have been reviewed to the extent deemed adequate to establish their effectiveness.

AUDIT OF EXPENDITURE

In accordance with the requirements of The Audit Act, an audit has been maintained of the expenditures of the Province made during the fiscal year ended March 31, 1949.

The concept that revenue collections in excess of revenue estimates constitutes authority or justification for actual expenditures exceeding estimated expenditures is not sound and must be constantly opposed.

In my opinion a study should be made of the legislative enactments authorizing payments out of the Consolidated Revenue Fund. The payments which by statute are authorized to be paid out of the Consolidated Revenue Fund should be reduced to a minimum, with the result that there would be returned to the Legislative Assembly the granting of supply for the sums necessary to defray the estimated expenditures of each fiscal year to a degree greater than at present. In this manner the principle that sovereignty in financial matters is vested in the Legislative Assembly would be more fully recognized and maintained.

BALANCE SHEET

The Balance Sheet does not include as an asset the value of Crown timber, mineral wealth of Crown lands, Crown lands, water powers, fish, game and fur.

The Balance Sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

I report hereunder on certain of the Assets and Liabilities as shown on the Balance Sheet at March 31, 1949.

ASSETS

CASH ON HAND AND IN BANKS — \$9,595,832.78

Cash on hand has been confirmed by letters received directly from managers of the various branches of the Province of Ontario Savings Office. The branches of the Savings Office are subject to audit by Head Office inspectors at various times during the year.

Cash on deposit in chartered banks was verified by certificates received directly from depositaries.

LOANS AND ADVANCES

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO — \$71,867,672.88

Under The Power Commission Act, advances for the construction of fixe assets were made to the Hydro-Electric Power Commission of Ontario for the Southern Ontario and Thunder Bay Systems and Northern Ontario Properties which is held and operated by the Hydro-Electric Power Commission of Ontario in trust for the Province of Ontario. Of the amounts originally advanced, \$71,867,672.88 remains unpaid as at March 31, 1949. Of this amount \$67,025,679.30 relates to the Southern Ontario and Thunder Bay System and \$4,841,993.58 relates to Northern Ontario Properties. The money originally advanced by the Province represented a portion of the proceeds of certain Provincial debenture issues. As the debentures mature the Province is repaying the portion originally advanced.

A schedule is here presented which shows the details of future repayments:

YEAR ENDED	SOUTHERN ONTARIO AND THUNDER BAY SYSTEMS		NORTHERN ONTARIO PROPERTIES	TOTAL
March 31, 1950.....	\$ 1,586,045.59		\$ 72,903.32	\$ 1,658,948.91
" 1951.....	2,591,999.79		192,702.05	2,784,701.84
" 1952.....	1,653,624.29		78,875.59	1,732,499.88
" 1953.....	10,403,032.05		86,901.03	10,489,933.08
" 1954.....	1,727,137.39		85,381.76	1,812,519.15
" 1955.....	1,766,862.08		88,885.07	1,855,747.15
" 1956.....	1,807,421.65		92,482.02	1,899,903.67
" 1957.....	1,660,581.87		95,321.58	1,755,903.45
" 1958.....	1,469,190.90		98,534.70	1,567,725.60
" 1959.....	1,140,964.72		101,500.69	1,242,465.41
" 1960.....	13,450,033.33		1,303,668.46	14,753,701.79
" 1961.....	14,246,761.90		1,197,220.13	15,443,982.03
" 1962.....	1,292,370.83		114,883.42	1,407,254.25
" 1963.....	1,346,539.21		119,669.55	1,466,208.76
" 1964.....	1,404,005.84		124,706.19	1,528,712.03
" 1965.....	1,463,028.94		129,905.34	1,592,934.28
" 1966.....	1,524,311.52		135,358.51	1,659,670.03
" 1967.....	1,588,482.44		141,021.15	1,729,503.59
" 1968.....	1,285,208.03		129,580.99	1,414,789.02
" 1969.....	1,339,498.70		134,980.37	1,474,479.07
" 1970.....	952,284.97		120,574.26	1,072,859.23
" 1971.....	993,666.86		125,691.52	1,119,358.38
" 1972.....	332,626.40		71,245.88	403,872.28
	<u>\$67,025,679.30</u>		<u>\$ 4,841,993.58</u>	<u>\$71,867,672.88</u>

ONTARIO NORTHLAND TRANSPORTATION COMMISSION — \$30,207,934.92

This amount represents advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED — INVESTMENTS, \$4,279,312.68

Under The Housing Development Act, 1948, the Province guaranteed the indebtedness of the Housing Corporation Limited, which is a corporation created by the Province for the purpose of rendering assistance to persons requiring housing. Money was loaned to individuals on the security of second mortgages. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

The assets and liabilities of the Housing Corporation Limited have been included with the other accounts on the Balance Sheet of the Province. The balance sheet of the Housing Corporation Limited is also shown separately in the Public Accounts.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT — INVESTMENTS, \$11,943,143.03

Agricultural Development Board — Debentures.....	\$11,800,000.00
The Farm Loans Act — Farm Loans Associations.....	47,512.76
Capital Stock in Associations.....	2,145.00
Municipal Debentures — Town of West Lorne.....	93,485.27
	<u>\$11,943,143.03</u>

Of the debentures purchased by the Province from the Agricultural Development Board, all but \$11,800,000.00 have been redeemed. The debentures

mature from November 30, 1953, to November 30, 1955. The Commissioner of Agricultural Loans will have difficulty in meeting all the debentures of the Agricultural Development Board as they fall due, since in some cases mortgages held by the Commissioner have been renewed and mature subsequent to the maturity dates of the Board's debentures.

MUNICIPALITIES, ETC. — \$5,803,766.34

Accounts in this category showing material changes during the year are commented on below:

As part of the refinancing of the debt of the Sandwich, Windsor and Amherstburg Railway Company, as set out in The Sandwich, Windsor and Amherstburg Railway Act, 1949, the Province received Bonds of the Railway Company for \$1,500,000.00.

Debentures of the City of Windsor are held in the amount of \$2,381,644.85. Of this total, \$1,500,000.00 was received under the Act referred to above as part of the refinancing of the Sandwich, Windsor and Amherstburg Railway. The remaining \$881,644.85 represents the consolidated indebtedness of the City of Windsor for guaranteed Housing Debentures, Unemployment Relief Housing Loans and Township of Sandwich East Housing Loans.

DOMINION OF CANADA — \$4,272,886.72

DEBT ACCOUNT — \$2,848,289.52

Under the B.N.A. Act, 1867, the Dominion assumed the debt of the old Province of Canada (Ontario and Quebec). However, on any excess of debt over \$62,500,000.00, interest at the rate of 5% per annum was to be paid to the Dominion by Ontario and Quebec. The excess of debt was apportioned five-ninths to Ontario and four-ninths to Quebec.

When paying the subsidy based on population, the Dominion retained therefrom interest at 5% per annum on the excess of debt over \$62,500,000.00. In the case of Ontario, this amounted to \$291,666.66 annually and represented interest at 5% on \$5,833,333.00. This procedure was followed for five and one-half years from July 1, 1867, to January 1, 1873.

Under 36 Victoria, Cap. 30, 1873, the excess of debt of Ontario and Quebec was deemed to be properly assumed by the Dominion. Therefore the Province of Ontario and Quebec received the first full subsidy, based on population, free of any interest deduction for excess of debt on July 1, 1873.

In 1884, under 47 Victoria, Cap. 4, an adjustment was made in the annual subsidy to compensate the Province of Ontario for the interest on the excess of debt which had been withheld during the five and one-half years above mentioned. The amounts withheld, together with interest thereon, to July 1884, were, in effect, capitalized and on this capitalized figure of \$2,848,289.52 the Dominion pays the Province interest at the rate of 5% per annum or \$142,414.48. Payments are made semi-annually on January 1 and on July 1 in each year.

COMMON SCHOOL FUND — \$1,424,597.20

This amount represents Ontario's present interest in a permanent fund \$2,677,770.70 held in trust by the Dominion of Canada for the Provinces of Ontario and Quebec jointly. The total held by the Dominion has remained unchanged since March 31, 1942, and is derived from the sale of Crown land.

set aside for the benefit of common schools by statutes enacted before confederation. The Dominion pays interest to the Provinces on the principal sum at the rate of 5% per annum, payable semi-annually, in proportion to their respective populations as determined by the most recent decennial census. The present basis for allocation is the census of 1941.

BUILDINGS, ROADS, ETC. — \$582,090,855.89

Roads and Highways.....	\$438,055,468.90
Public Buildings, Public Works, etc.....	142,338,739.95
Niagara Parks Commission.....	1,696,647.04
	<u>\$582,090,855.89</u>

The book values of Roads and Highways, \$438,055,468.90, Public Buildings, Public Works, etc., \$142,338,739.95, represent accumulated capital expenditure to date, and the amounts are stated at cost. No depreciation has been accrued on these assets. Net increases during the year were as follows: Roads and Highways, \$28,120,671.25, Public Buildings, Public Works, etc., \$13,276,858.08.

The surplus account of the Niagara Parks Commission as at the close of its fiscal year, October 31, 1948, showed a balance of \$1,696,647.04, which is included in the accounts of the Province by authority of subsection 2 of section 14 of The Niagara Parks Act, 1949. This amount has been brought on the Balance Sheet through an adjustment to Surplus Account.

OTHER LOANS AND ADVANCES — \$1,111,854.00

Co-operative Marketing Loans.....	\$ 108,000.00
Guaranteed Debentures and Interest Coupons redeemed by Province.....	540,107.76
Home Bank (in Liquidation) — Balance.....	250,000.00
Municipal Drainage Debentures.....	2,760.26
Promissory Notes Paid.....	53,902.23
Settlers' Loans.....	155,553.75
Mothers' Allowances — Municipalities.....	1,530.00
	<u>\$ 1,111,854.00</u>

This represents a segregation of Loans and Advances which are in arrears or in default.

These assets are carried at book value as the ultimate realizable value cannot be determined at this date.

DISCOUNT ON DEBENTURES — \$4,834,487.73

Discounts and premiums on Provincial debenture issues are amortized in each case over the term of the related issue. The unamortized balances comprising the above total are shown in detail in the Public Accounts of Ontario for 1948-1949 on page 47.

ACCOUNTS RECEIVABLE — \$9,703,432.24

This is the net total of the accounts receivable of all Departments of the Provincial Government after the deduction of reserves for uncollectible accounts and includes \$6,535,333.30 representing the surplus of the Liquor Control Board of Ontario less a provision for revenue stabilization.

The accounts receivable submitted by Departmental Accountants were checked from records and reports on file in the Departments concerned. The reserves provided are considered adequate. This asset has been brought on the Balance Sheet by an adjustment through Surplus Account.

INTEREST RECEIVABLE (DUE AND ACCRUED) — \$1,586,510.27

There is owing to the Provincial Treasurer of Ontario \$3,786,510.27 for interest due and accrued on the debentures of the Agricultural Development Board held by the Province. A reserve of \$2,200,000.00 is provided against the \$3,786,510.27, since a deficit of some \$2,000,000.00 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectible. At the present time, this reserve is considered to be adequate. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS — \$3,582,505.22

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued, as in previous years, on a basis not exceeding cost. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT — \$534,819,635.23

Stocks and Debentures.....	\$582,445,500.00
Less — Sinking Funds.....	48,530,000.00
	<hr/>
Railway Aid Certificates.....	\$533,915,500.00
Sandwich, Windsor and Amherstburg Railway Company bonds — principal assumed.....	4,135.23
	<hr/>
	900,000.00
	<hr/>
	<u>\$534,819,635.23</u>

The details of Stocks and Debentures outstanding at March 31, 1949, are shown in the Public Accounts for 1948-1949 on page 59.

Securities in the amount of \$46,002,650.00 held for the Sinking Funds have been verified by actual count. Uninvested Sinking Funds of \$2,527,350.00 have been verified from the records of the Provincial Treasurer.

The assumption by the Province of the principal amount of \$900,000.00 of bonds of the Sandwich, Windsor and Amherstburg Railway Company due July 1, 1961, was authorized by the provisions of The Sandwich, Windsor and Amherstburg Railway Act, 1949. These bonds were previously a contingent liability of the Province. When this amount was established as a direct liability surplus account was charged with an equivalent amount.

UNFUNDED DEBT — \$84,594,428.17

DEMAND DEPOSITS WITH PROVINCE OF ONTARIO

SAVINGS OFFICE — \$64,407,728.64

This amount is comprised of current deposits in the amount of \$64,360,138.18 and unclaimed balances of \$47,590.46 on deposit in the 22 branches of the Savings Office in the Province. The liability of the Savings Office to the public for monies on deposit is of a similar nature to that of the savings account liabilities of the Chartered Banks.

SPECIAL FUNDS — \$15,919,044.24

The items shown under this heading comprise trust funds held by the Province for administration which are shown in detail in the Public Accounts for 1948-1949, on page 49.

During the year the uninvested funds of the Ontario Public Service Superannuation Fund showed a net increase of \$2,151,641.34, and now stand at \$9,412,670.20.

Funds held at March 31, 1949, for redemption of Vacation-with-Pay Stamps amounted to \$3,870,869.35.

The Unsatisfied Judgment Fund appears for the first time and the balance is \$223,583.54.

Another important addition to the accounts under this heading is the Hospital Aid Fund, which amounts to \$979,528.67.

HOUSING CORPORATION LIMITED — Liabilities, \$4,260,655.29

The liabilities of the Housing Corporation Limited consist mainly of a bank overdraft of \$1,258,698.75 and promissory notes for \$3,000,000.00, both guaranteed by the Province of Ontario.

MISCELLANEOUS — \$7,000.00

This account provides for certain definitive debentures now matured for which interim certificates have not been presented and for a debenture matured but not presented for payment.

ACCOUNTS PAYABLE — \$2,005,818.11

The accounts payable are for goods received or services rendered, but not paid for in the fiscal year and have arisen in the ordinary course of business of certain Departments of the Government and have been brought on to the Balance Sheet by an adjustment through Surplus Account. A large part of the above total represents timber deposits and other credit balances of the Department of Lands and Forests.

ACCRUED INTEREST ON FUNDED DEBT — \$7,242,978.69

The most important item under this heading is interest accrued but not yet due for payment on debentures outstanding in the hands of the public and amounts to \$7,228,788.69. The above total has been brought on the Balance Sheet by an adjustment through Surplus Account.

RESERVES — \$1,216,242.98

There was a net increase in reserves during the year of \$19,245.65, mainly as a result of adding the amount of \$18,657.39 for the Housing Corporation Ltd.

This account includes a reserve of \$458,050.98, for Farm Loans, which has remained unchanged in recent years and constitutes a reserve against the debt of the Commissioner of Agricultural Loans to the Province of Ontario.

SURPLUS — \$111,001,191.52

Surplus account has increased during the year by \$24,392,437.14. Details of the changes in surplus during the year are shown in the Public Accounts for 1948-1949 on page 8.

CONTINGENT LIABILITIES — \$259,226,684.66

The contingent liabilities of the Province arise pursuant to certain legislative enactments. Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Municipalities, Commissions, Railways, Schools, etc., as shown in the Public Accounts for 1948-1949 on pages 55-58 are in accordance with the authority granted in the governing statutes.

During the fiscal year contingent liabilities increased by \$76,728,033.75. The increase is due largely to debenture issues of the Hydro-Electric Power Commission of Ontario which have been guaranteed by the Province of Ontario.

CHARTS AND STATEMENTS

Charts indicating the changes in Gross and Net Debt and in Ordinary Revenue and Expenditure for the ten years ending March 31, 1949, are appended to this report on pages 21-22.

Statements showing details of the Treasury Board Minutes issued for expenditures in excess of appropriations during the fiscal year ended March 31, 1949, and Special Warrants issued during the fiscal year ended March 31, 1949, are submitted in separate sections immediately following the charts referred to above.

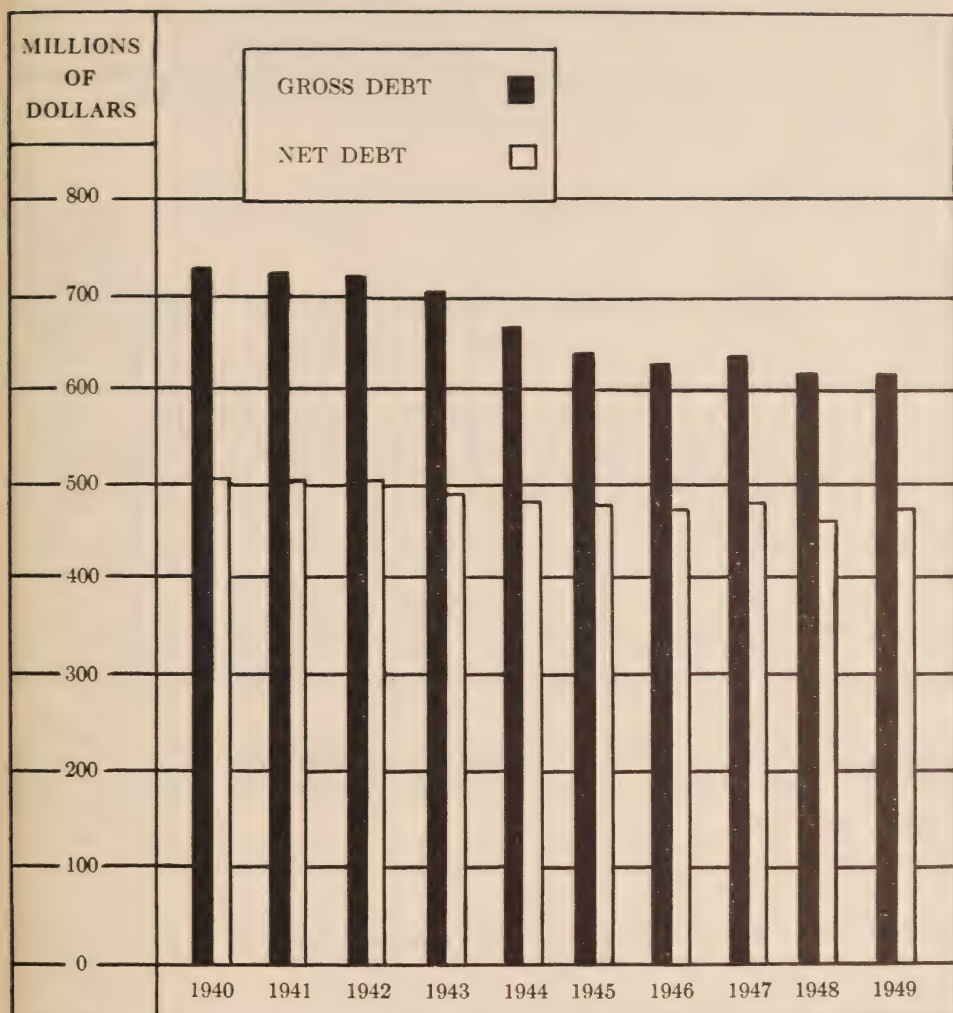
I wish to acknowledge the courtesy and co-operation afforded to this Office by the officials and staff of the various departments, boards and commissions during the conduct of the audit.

H. A. COTNAM, C.A.

Provincial Auditor

Toronto, December 20, 1949

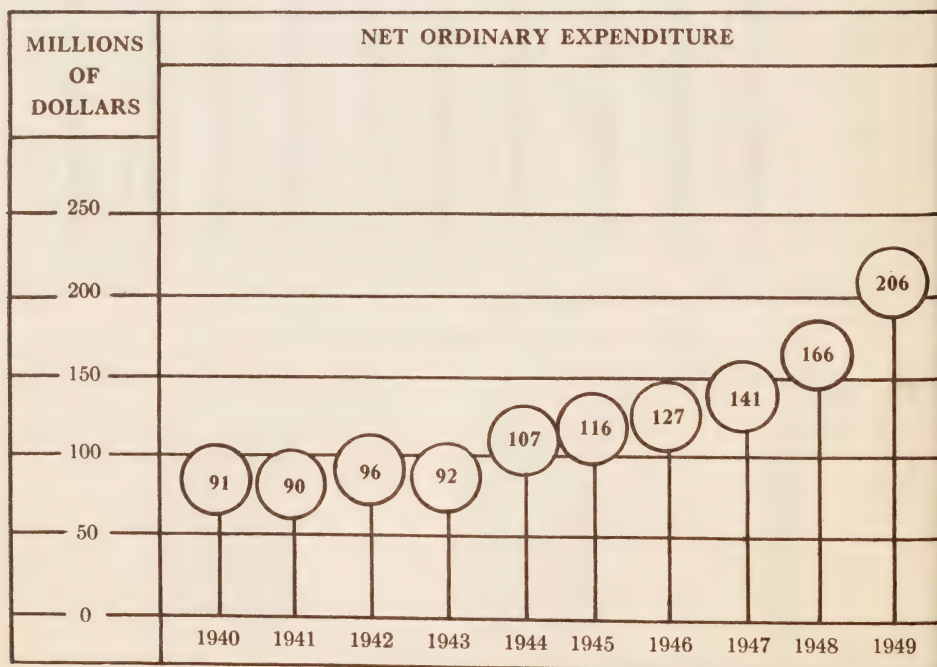
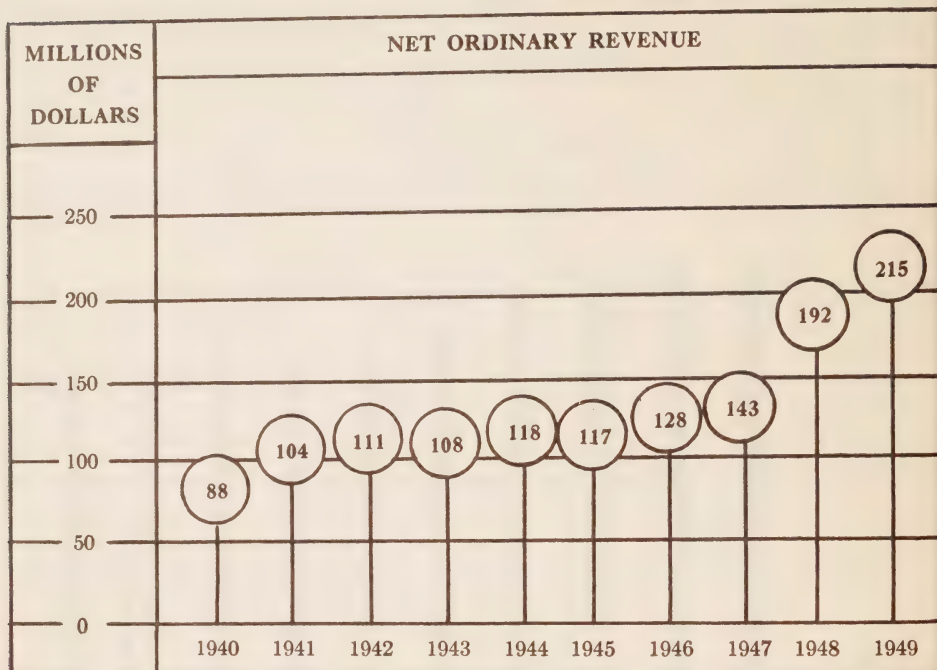
PROVINCE OF ONTARIO
GROSS AND NET PROVINCIAL DEBT
FOR THE TEN YEARS ENDED MARCH 31, 1949



Gross and Net Debt per Public Accounts

YEAR ENDED MARCH 31st.	GROSS DEBT	NET DEBT
1940	\$737,077,996.03	\$507,203,145.60
1941	729,648,162.76	506,200,014.37
1942	724,770,880.95	507,128,106.48
1943	704,864,361.10	495,441,291.33
1944	666,527,963.39	482,493,563.88
1945	646,483,511.60	480,308,957.15
1946	639,315,323.52	478,419,323.59
1947	645,221,457.67	493,087,004.24
1948	628,388,019.47	466,753,485.97
1949	628,662,860.20	483,675,155.06

PROVINCE OF ONTARIO
NET ORDINARY REVENUE AND EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1949



TREASURY BOARD MINUTES

STATEMENT OF TREASURY BOARD MINUTES ISSUED FOR EXPENDITURES IN
EXCESS OF APPROPRIATIONS, DURING THE FISCAL YEAR
ENDED MARCH 31, 1949

Department of Agriculture		WARRANT	EXPENDED
Main Office:			
Salaries.....	\$	6,500.00	\$ 4,246.18
Travelling Expenses.....		2,000.00	1,065.62
Removal Expenses of Officials.....		1,000.00	409.14
Compensation for Injured Workmen.....		2,000.00	1,940.61
Farm Service Force, Administration and Other Expenses.....		20,000.00	19,846.27
Statistics and Publications Branch:			
Maintenance.....		200.00	177.14
Agricultural and Horticultural Societies Branch:			
Salaries.....		750.00	508.98
Grants under The Community Halls Act		105,000.00	105,000.00
Live Stock Branch:			
Expenses re T. B. Testing Work.....		13,500.00	9,993.62
Women's Institute and Home Economics Service:			
Services, Travelling Expenses, Grants, etc.....		5,000.00	4,547.74
Fruit Branch:			
Fruit Work, including Expenditure under The Plant Diseases Act, etc.....		4,200.00	4,188.65
Loans in Accordance with The Co-operative Marketing Loan Act.....		125,000.00	38,000.00
Crops, Seeds and Weeds Branch:			
Administration of The Weed Control Act, Crop Improvement Work, etc.....		10,000.00	9,988.13
Subventions:			
Freight on Agricultural Lime.....		4,000.00	1,814.66
Western Ontario Experimental Farm, Ridgetown:			
Purchase of Stock and Equipment, etc.....		5,000.00	4,378.53
Demonstration Farm, New Liskeard:			
Salaries.....		250.00	239.76
Northern Ontario Branch:			
Services and Expenses in Connection with Agricultural Work, etc.....		645,000.00	638,016.26
Ontario Veterinary College Guelph:			
Salaries.....		5,000.00	1,174.76
Ontario Agricultural College, Guelph:			
General Office:			
Salaries.....		13,000.00	8,049.40
Expenses.....		145,000.00	144,639.49
All Divisions:			
Salaries.....		52,000.00	41,355.48
Department of Attorney-General			
Main Office:			
Commissions and Sundry Investigations.....		8,000.00	5,358.90
Shorthand Reporters:			
Salaries, including Allowance in Lieu of Stationery.....		2,000.00	351.40
Land Titles Office:			
Salaries.....		3,500.00	1,714.95
Public Trustee's Office:			
Maintenance.....		5,000.00	4,681.42
Official Guardian's Office:			
Salaries.....		2,500.00	2,447.92
Fire Marshal's Office:			
Travelling Expenses.....		7,000.00	3,876.38

	WARRANT	EXPENDED
Inspector of Legal Offices:		
Inspector's Office:		
Salaries.....	3,000.00	1,413.11
Judicial Officers in Districts:		
Office Equipment, Forms, Stationery, etc.....	3,000.00	1,576.88
Local Masters of Titles Offices:		
Forms, Copying and Contingencies.....	6,000.00	5,851.57
Law Enforcement Branch:		
Travelling Expenses.....	50,000.00	45,636.71
Maintenance.....	48,550.00	38,283.15
Ontario Securities Commission:		
Travelling Expenses.....	4,000.00	2,900.01
Maintenance.....	2,500.00	1,879.62

Department of Education

Main Office and General Departmental Expenses:

Main Office:		
Travelling Expenses.....	1,000.00	704.59
General Departmental Expenses:		
Compensation for Injured Workmen.....	1,500.00	1,194.25
Consolidation and Revision of Acts, Regulations, etc.....	300.00	104.63
Departmental Publications, Pamphlets for the Use of		
Schools, etc.....	7,000.00	6,923.19
Moving Expenses of Departmental Officials.....	3,000.00	1,876.71
Unemployment Insurance Stamps.....	1,000.00	678.62
Public and Separate Schools Branch:		
Travelling Expenses.....	1,000.00	753.22
Experimental Elementary School Buildings—Services, Ma-		
terials, etc.....	16,000.00	15,926.43
Inspection of Elementary Schools:		
Travelling and Office Expenses.....	12,000.00	7,105.83
Correspondence Courses:		
Maintenance.....	4,000.00	2,500.35
Vocational Education Branch:		
Lakehead Technical Institute, Port Arthur:		
Maintenance.....	5,500.00	4,895.71
Ryerson Institute of Technology, Toronto:		
Maintenance.....	85,000.00	78,350.29
Purchase of Equipment.....	20,000.00	19,996.49
Training Schools Branch:		
Services, Expenses, etc., in connection with the Medical		
Examination of Applicants for Admission to Training		
Schools.....	2,000.00	651.21
Practice Teaching.....	12,000.00	7,156.08
London Normal School:		
Maintenance.....	2,500.00	1,599.59
North Bay Normal School:		
Maintenance.....	1,200.00	769.71
Ottawa Normal School:		
Maintenance.....	3,500.00	3,071.20
Peterborough Normal School:		
Salaries.....	600.00	422.98
Maintenance.....	500.00	497.11
Stratford Normal School:		
Travelling Expenses.....	500.00	431.20
Toronto Normal School:		
Travelling Expenses.....	200.00	154.11
Maintenance.....	5,000.00	4,981.90
Special Services:		
Art:		
Travelling Expenses.....	500.00	487.71
Audio Visual Education:		
Radio Broadcasts, etc.....	3,000.00	2,910.60
Maintenance.....	1,500.00	1,463.60
Auxiliary Education:		
Travelling Expenses.....	1,000.00	778.20
Maintenance.....	250.00	41.80

Special Services (Cont'd):	WARRANT	EXPENDED
Auxiliary Education (Cont'd):		
Text-Books for Pupils with Defective Sight.....	1,000.00	991.24
Educational Services for the Handicapped, etc.....	6,000.00	4,587.30
Cost of Education of French-Speaking Deaf Children, etc.	800.00	770.00
Community Programmes:		
Salaries.....	20,000.00	4,312.16
Music:		
Travelling Expenses.....	200.00	76.76
Departmental Examinations Branch:		
Maintenance.....	5,000.00	1,510.38
Ontario School for the Blind, Brantford:		
Maintenance.....	12,000.00	11,194.55
Ontario School for the Deaf, Belleville:		
Salaries.....	2,500.00	921.48
Travelling Expenses.....	1,000.00	346.75
Maintenance.....	27,000.00	13,971.97
Legislative Grants, etc.:		
General Legislative Grants.....	700,000.00	595,064.96
Cost of Education of Non-Resident Pupils, etc.....	65,000.00	64,972.41
Physical Fitness and Recreation.....	50,000.00	39,551.67
Miscellaneous Grants:		
Visites Inter-provinciales.....	1,000.00	1,000.00
Grants to Provincial and Other Universities, etc...:		
University of Toronto.....	1,800,000.00	1,800,000.00

Department of Health

Main Office:		
Public Health Education.....	1,000.00	780.79
Maintenance.....	7,500.00	7,469.69
Maternal and Child Hygiene Branch:		
Cost of Examination of Expectant Mothers.....	25,000.00	23,320.00
Dental Service Branch:		
Salaries.....	2,600.00	2,473.60
Grants for School Dental Services.....	2,460.00	2,450.82
Nurses' Registration Branch:		
Services, Examination Board.....	600.00	461.45
Maintenance.....	2,500.00	2,475.44
Epidemiological Branch:		
Outbreaks of Diseases, Sanitary Investigations, etc.....	70,500.00	60,948.46
Tuberculosis Prevention Branch:		
Grants:		
Maintenance of Patients (Ontario Residents in Sanatoria in other Provinces).....	7,600.00	7,565.00
Ottawa Clinic:		
Salaries.....	900.00	841.23
Maintenance.....	1,300.00	1,290.42
Industrial Hygiene Branch:		
Maintenance.....	1,940.00	714.73
Sanitary Engineering Branch:		
Maintenance.....	150.00	149.68
Laboratory Branch—Central Laboratory:		
Maintenance.....	8,600.00	7,645.40
Branch Laboratories:		
Windsor:		
Salaries.....	500.00	242.19
Hospitals Branch:		
Public and Private Hospitals Division:		
Maintenance.....	1,500.00	1,168.44
Ontario Hospitals Division—General Expenses:		
Maintenance.....	2,800.00	2,667.81
Compensation for Injured Workmen.....	2,500.00	2,254.29
Removal of Patients to and from Ontario Hospitals and Examination of Patients from Unorganized Districts....	5,000.00	4,984.48
Removal Expenses of Officials, in connection with the Ontario Hospitals.....	2,500.00	2,493.41
Printing and Stationery for Ontario Hospitals.....	4,300.00	4,296.38
Grants to Schools for Education of Children of Ontario Hospitals' Staff.....	1,500.00	386.43

Hospitals Branch (Cont'd):

WARRANT

EXPENDED

Ontario Hospitals:

Brockville:

Salaries.....	10,000.00	5,795.26
Maintenance.....	47,300.00	47,211.95

Cobourg:

Salaries.....	1,000.00	926.01
Maintenance.....	6,200.00	5,224.75

Fort William—Port Arthur Unit:

Salaries.....	2,500.00	1,897.55
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Hamilton:

Salaries.....	12,000.00	11,943.61
Maintenance.....	50,000.00	49,922.19

Kingston:

Salaries.....	23,500.00	23,485.32
Maintenance.....	42,400.00	41,529.61

Langstaff:

Salaries.....	3,000.00	2,957.92
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London:

Salaries.....	27,500.00	27,006.23
Maintenance.....	90,000.00	83,832.81

New Toronto:

Maintenance.....	33,000.00	32,981.63
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Orillia Hospital School:

Salaries.....	28,000.00	27,056.83
Maintenance.....	87,800.00	87,760.63

Penetanguishene:

Salaries.....	17,000.00	16,797.83
Maintenance.....	3,000.00	2,945.43

St. Thomas:

Maintenance.....	34,000.00	33,990.43
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Toronto:

Maintenance.....	30,700.00	30,658.93
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Whitby:

Maintenance.....	39,000.00	31,921.43
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Woodstock:

Salaries.....	33,000.00	27,505.43
Maintenance.....	20,000.00	19,999.93

Toronto Psychiatric:

Salaries.....	25,000.00	24,171.43
Maintenance.....	5,100.00	5,061.93

Department of Highways

Main Office:

Unemployment Insurance Stamps.....	10,000.00	6,647.53
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Department of Insurance

Main Office:

Travelling Expenses.....	500.00	183.
Maintenance.....	1,500.00	1,498.
Printing.....	4,000.00	3,958.

Department of Labour

Main Office:

Conciliation Boards (Commissioners, etc.).....	33,000.00	25,775.
--	-----------	---------

Industry and Labour Board:

Bank Commissions:

Charges for Sale and Cashing of Vacation Pay Stamps.....	17,000.00	15,912.
Payment of Claims re Vacation Pay Stamps.....	600,000.00	350.980

Apprenticeship Branch:

Salaries.....	1,500.00	708.
Maintenance.....	2,000.00	1,999.

Boiler Inspection Branch:

Salaries.....	1,500.00	1,134.
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	WARRANT	EXPENDED
Factory Inspection Branch:		
Maintenance.....	1,000.00	999.05
Board of Examiners of Operating Engineers:		
Travelling Expenses.....	500.00	376.98
Composite Inspection Branch:		
Salaries.....	1,500.00	1,432.27

Department of Lands and Forests

Main Office:		
Damage and Other Claims, Sundry Contingencies, Awards, etc.....	1,000.00	770.25
Compensation for Injured Workmen.....	8,500.00	8,078.97
Field Services:		
Survey Branch:		
Ground Surveys.....	10,000.00	6,311.36
Forest Research Branch:		
Salaries.....	10,600.00	7,279.30
Basic Organization—District Offices (including Provincial Parks, etc.)....		
Salaries.....	108,365.00	43,484.76
Maintenance and Operating.....	245,000.00	203,812.88
Extra Fire Fighting:		
Salaries.....	690,000.00	648,237.63
Travelling Expenses.....	35,000.00	29,607.01
Maintenance and Operating.....	475,000.00	437,030.26
Fire Prevention, Conservation of Fish, Wildlife and Re- forestation:		
Salaries.....	5,500.00	2,711.42
Maintenance and Operating.....	15,000.00	530.86
Air Service Branch:		
Travelling Expenses.....	3,000.00	2,215.77
Maintenance and Operating.....	275,000.00	247,477.73

Department of Mines

Main Office:		
Unemployment Insurance Stamps.....	75.00	14.67
Geological Branch:		
Salaries, Equipment, Travelling Expenses of Geologists, etc...	30,000.00	17,147.31

Department of Municipal Affairs

Registrar-General's Branch:		
Maintenance.....	15,000.00	11,074.63

Department of Planning and Development

Main Office:		
Travelling Expenses.....	1,500.00	1,134.69
Immigration Branch:		
Costs and Expenses for Transportation of Immigrants.....	15,500.00	12,713.59
Trade and Industry Branch:		
Travelling Expenses.....	2,000.00	1,579.96
Maintenance.....	1,000.00	760.27

Office of Prime Minister

Travelling Expenses.....	3,500.00	1,455.79
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Department of Provincial Secretary

Office of The Speaker:		
Salaries.....	700.00	504.87
Travelling Expenses.....	650.00	578.66

	WARRANT	EXPENDED
Clerk of The Legislative Assembly:		
Salaries.....	300.00	190.86
Sessional Requirements:		
Clerks of Committees, etc., Sessional Writers, etc.....	7,000.00	4,845.19
Office of Crown-in-Chancery:		
Salaries.....	2,000.00	1,729.76
Miscellaneous Requirements:		
Research Scholarships and Research Projects and Activities as directed by the Lieutenant-Governor in Council.....	70,000.00	30,111.28

Department of Provincial Treasurer

Main Office:		
Maintenance.....	3,000.00	2,445.78
Premium on Fidelity Bonds.....	3,000.00	2,746.20
Bureau of Statistics and Research:		
Salaries.....	2,000.00	555.15
Controller of Revenue:		
Maintenance.....	7,500.00	7,149.78
Fees.....	7,000.00	4,535.87
Post Office:		
Salaries.....	4,000.00	3,569.09
Maintenance.....	25,000.00	24,293.32

Department of Public Welfare

Main Office:		
Maintenance.....	3,000.00	2,983.32
Unemployment Insurance Stamps.....	400.00	398.90
Children's Aid Branch: :		
Maintenance.....	1,550.00	1,548.28
Services and Expenses re Administration of The Children's Protection Act, etc.....	21,000.00	16,637.84
Mothers' Allowances Commission:		
Maintenance.....	9,000.00	8,980.40
Allowances.....	970,000.00	501,542.98
Old Age Pensions Commission:		
Salaries.....	110,500.00	105,073.30
Travelling Expenses.....	9,000.00	237.31
Maintenance.....	17,600.00	17,579.49
Special Provincial Bonus.....	275,000.00	266,166.53

Department of Public Works

Main Office:		
Compensation for Injured Workmen.....	7,500.00	4,850.96
Unemployment Insurance Stamps.....	7,000.00	6,215.53
Public Buildings—Maintenance and Repairs:		
General Superintendence:		
Services, Travelling and Other Expenses.....	12,000.00	109.63
Legislative and Departmental Buildings:		
Administrative Services:		
Telephone Service.....	6,000.00	1,308.45
Maintenance.....	15,000.00	13,938.16
Ontario Government Branch Office Buildings:		
General:		
Rental and Caretaking of Leased Premises and Ex- penses in connection therewith.....	45,000.00	26,335.21
Dams, Docks, etc., and Drainage Works:		
Maintenance of Locks, Bridges, Dams and Docks, etc.....	10,000.00	9,217.77

Department of Reform Institutions

Main Office:		
Grants:		
Sundry Schools—For Pupils Residing on Institution		
Property.....	1,000.00	199.8
Training Schools.....	5,000.00	3,060.2

	WARRANT	EXPENDED
Ontario Reformatories:		
Guelph:		
Industries.....	225,000.00	198,996.18
Mimico:		
General Maintenance.....	10,000.00	8,517.09
Mercer-Toronto:		
Salaries.....	7,000.00	4,166.24
Industries.....	40,000.00	34,881.94
Industrial Farms:		
Burwash:		
General Maintenance.....	125,000.00	116,995.01
Industries.....	5,000.00	2,820.26
Monteith:		
Salaries.....	2,000.00	785.80

Department of Travel and Publicity

Main Office:		
Maintenance.....	1,200.00	1,199.15
Information Branch:		
Maintenance.....	100.00	97.38
Establishment and Operation of Official Reception Centres, including purchase and rental of Equipment, etc., as authorized by the Minister.....	1,500.00	1,265.51
Development Branch:		
Travelling Expenses.....	800.00	314.25
Maintenance.....	300.00	299.30
Provincial Travel Conference, including Rental of Premises, Advertising, etc.....	200.00	126.97

Miscellaneous

Miscellaneous Refunds.....	125,000.00	47,957.65
Total Treasury Board Minutes.....	<u>\$9,842,090.00</u>	<u>\$8,224,017.36</u>

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR
ENDED MARCH 31, 1949

DATE OF WARRANT	SERVICE	WARRANT	EXPENDED 1948-49	UN- EXPENDED
		\$ c.	\$ c.	\$ c.
	Department of Agriculture			
July 29, 1948	Payment of Honoraria in connection with the Royal Commission on Milk.....	7,500.00	7,500.00	
Various	Cost of Living Bonus.....	107,328.59	107,328.59	
Nov. 25, 1948	Ontario Cheese Producers Marketing Board, for the payment of a Subsidy on cheese produced in Ontario for export during the period from June 15 to July 26, 1948	19,750.00	19,704.96	45.04
	Department of Attorney-General			
Various	Cost of Living Bonus.....	146,514.27	146,514.27	
	Department of Education			
June 10, 1948	Grant to Canadian Committee, International Student Service.....	6,000.00	6,000.00	
July 29, 1948	University of Toronto, for the purpose of enlarging and improving Teaching Facilities as required by the University.....	1,185,850.00	1,185,850.00	
Various	Cost of Living Bonus.....	87,040.94	87,040.94	
Nov. 25, 1948	Saturday Morning Classes, Ryerson Institute of Technology for Especially Gifted Children in Art.....	700.00	700.00	
Jan. 20, 1949	McMaster University, to assist towards cost of providing certain courses in Science..	100,000.00	100,000.00	
	Department of Health			
Various	Cost of Living Bonus.....	431,548.21	431,548.21	
Aug. 26, 1948	Grant—East Windsor Hospital.....	10,000.00	10,000.00	
	Department of Highways			
Various	Cost of Living Bonus.....	81,096.18	81,096.18	
	Department of Insurance			
Various	Cost of Living Bonus.....	2,880.55	2,880.55	

DATE OF WARRANT	SERVICE	WARRANT	EXPENDED 1948-49	UN- EXPENDED
		\$ c.	\$ c.	\$ c.
	Department of Labour			
Various	Cost of Living Bonus.....	20,136.34	20,136.34	.....
	Department of Lands and Forests			
Various	Cost of Living Bonus.....	217,621.54	217,621.54	.....
Sept. 16, 1948	Production and Salvage of Timber in the area of approximately six hundred thousand acres lying between Blind River and Chapleau, burned in the months of May and June 1948, in accordance with such arrangements, contracts or orders as are made by or on the recommendation of the Honourable the Minister of Lands and Forests and for the payment of expenses incidental thereto.....	1,500,000.00	1,489,844.65	10,155.35
	Lieutenant-Governor's Office			
Various	Cost of Living Bonus.....	210.00	210.00	.....
	Department of Mines			
Various	Cost of Living Bonus.....	16,582.96	16,582.96	.....
	Department of Municipal Affairs			
Various	Cost of Living Bonus.....	16,553.64	16,553.64	.....
	Department of Planning and Development			
Various	Cost of Living Bonus.....	8,221.00	8,221.00	.....
	Office of Prime Minister			
Various	Cost of Living Bonus.....	780.00	780.00	.....
	Provincial Auditor's Office			
Various	Cost of Living Bonus.....	5,582.68	5,582.68	.....
	Department of Provincial Secretary			
Various	Cost of Living Bonus.....	15,527.18	15,527.18	.....

DATE OF WARRANT	SERVICE	WARRANT		EXPENDED 1948-49		UN- EXPENDED	
		\$	c.	\$	c.	\$	c.
	Department of Provincial Treasurer						
April, 29, 1948	Grant to the Canadian Olympic Association	7,500.00		7,500.00			
	Cost of Living Bonus						
Aug. 26, 1948	Warrant.....	\$1,300,000.00					
Oct. 7, 1948	Warrant.....	500,000.00					
		\$1,800,000.00					
	Less: distributed to various Depart- ments.....	1,350,920.64		449,079.36	30,626.63	418,452.73	
	Department of Public Welfare						
Various	Cost of Living Bonus.....	43,018.70		43,018.70			
Nov. 25, 1948	Payment of 25% of Expenditure to date on erection of a new Refuge by the Board of the Algoma Home for the Aged.....	4,315.02		4,315.02			
	Department of Public Works						
Various	Cost of Living Bonus.....	42,175.81		42,175.81			
	Department of Reform Institutions						
July 15, 1948	St. Joseph's Training School, Alfred, Ont- ario, for the purpose of assisting in rebuild- ing and equipping a shops building which was destroyed by fire on July 15th, 1944.....	50,000.00		50,000.00			
Various	Cost of Living Bonus.....	102,093.61		102,093.61			
	Department of Travel and Publicity						
Various	Cost of Living Bonus.....	6,008.44		6,008.44			
	Total Special Warrants	4,691,615.02		4,262,961.90		428,653.12	

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PROVINCIAL AUDITOR'S REPORT

1949-50

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



TORONTO

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Printer to the King's Most Excellent Majesty

1951



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SESSIONAL PAPER No. 3, 1951



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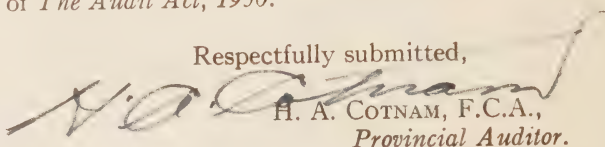
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TO THE HONOURABLE RAY LAWSON, O.B.E., L.L.D., D.Ch.L., D.C.L.,
Lieutenant-Governor of the Province of Ontario

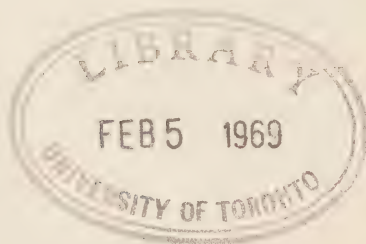
MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1950, in accordance with the requirements of *The Audit Act, 1950*.

Respectfully submitted,


H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
November 20th, 1950.



REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31ST, 1950, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT, 1950.

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REPORT OF THE PROVINCIAL AUDITOR

1949 - 1950

I have the honour to present my report to the Legislative Assembly, on the examination and audit of the accounts of Ontario for the fiscal year ended March 31, 1950, in accordance with the requirements of The Audit Act, 1950.

The Balance Sheet of the Province of Ontario as at March 31, 1950, the Statements of Revenue and Expenditure for the year ended on that date and other related schedules, published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related schedules are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1950, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

There has been no change in the basis of accounting during the fiscal year.

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been followed, although the Balance Sheet states the financial position of the Province at March 31, 1950, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

NEW AUDIT ACT

On June 6, 1950, The Audit Act, 1950, came into force superseding The Audit Act, R.S.O. 1937, chapter 24. Set out below are the more important changes in principle incorporated in the new act and the manner of achievement.

1. The Auditor's independent position as a servant of the Assembly was strengthened.
 - (a) The Auditor now may require any payment to be referred to the Lieutenant-Governor in Council for his approval.
 - (b) The right of access by the Auditor to all necessary books, accounts, records, reports, files and other material is now definitely established.
 - (c) The form and content of the Public Accounts now are decided by the Auditor rather than the Treasurer Board.
2. Certain minimum reporting requirements were established.
 - (a) The Public Accounts now are to be presented to the Lieutenant-Governor in Council, not the Treasurer, and definite time for their presentation is established.

- (b) The report of the Auditor is now provided for by a specific section which sets out the material that shall be included, and a definite time for presentation to the Assembly through the Lieutenant-Governor in Council is established.
3. The Assembly has been assured more responsibility for providing annual supply and a uniform accounting period.
- (a) The authority to make expenditure under Special Warrant now lapses at the year end, thus assuring to the Assembly the opportunity of voting supply in respect to such items previously carried forward as unexpended under Special Warrant.
- (b) An extension of the period for processing accounts to 30 days beyond March 31 has been provided rather than left to the discretion of the Lieutenant-Governor in Council, thus assuring a uniform accounting period from year to year.

OPERATIONS FOR 1950

The statements which follow summarize the operating results for the 1950 fiscal year. The Honourable Leslie M. Frost, K.C., L.L.D., Treasurer of the Province of Ontario, in his address to the Legislative Assembly of Ontario on March 4, 1949, presented budget forecasts of ordinary revenue, ordinary expenditure, capital receipts and capital payments for the fiscal year ended March 31, 1950, and in his budget address on March 17, 1950, presented interim statements of ordinary revenue, ordinary expenditure, capital receipts and capital payments for the same fiscal year, consisting of ten months' actual results and two months' forecast.

These budget and interim forecasts are shown in conjunction with the actual figures for purposes of comparison.

COMPARATIVE SUMMARY BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1949, TO MARCH 31, 1950

	BUDGET	ACTUAL	ACTUAL OVER BUDGET
Net Ordinary Revenue.....	\$201,103,400.00	\$228,550,022.27	\$27,446,622.27
Less: Net Ordinary Expenditure (before providing for Sinking Funds and Maturing Railway Aid Certificates)..	195,319,654.00	199,267,588.24	3,947,934.24
Surplus (before providing for Sinking Funds and Maturing Railway Aid Certificates). \$	5,783,746.00	\$ 29,282,434.03	\$23,498,688.03
Less: Provision for Sinking Funds and Maturing Railway Aid Certificates...	5,626,200.00	20,625,785.43	14,999,585.43
Surplus.....	\$ 157,546.00	\$ 8,656,648.60	\$ 8,499,102.60

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1949, TO MARCH 31, 1950**

	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 829,000.00	\$ 846,807.36	\$ 17,807.36	\$
Attorney-General.....	1,272,000.00	1,498,994.75	226,994.75	
Education.....	1,596,000.00	1,631,691.91	35,691.91	
Health.....	2,013,000.00	2,496,513.99	483,513.99	
Highways:				
Main Office.....	10,000.00	6,138.52		3,861.48
Gasoline Tax Branch.....	52,500,000.00	58,234,333.76	5,734,333.76	
Miscellaneous Permits Br..	120,000.00	143,941.41	23,941.41	
Motor Vehicles Branch....	15,000,000.00	17,343,537.75	2,343,537.75	
	<u>\$ 67,630,000.00</u>	<u>\$ 75,727,951.44</u>	<u>\$ 8,101,812.92</u>	<u>\$ 3,861.48</u>
Insurance.....	\$ 254,000.00	\$ 338,483.49	\$ 84,483.49	\$
Labour.....	186,000.00	222,648.34	36,648.34	
Lands and Forests.....	10,850,000.00	10,921,652.37	71,652.37	
Mines.....	2,938,000.00	3,256,427.35	318,427.35	
Municipal Affairs.....	251,000.00	336,479.51	85,479.51	
Prime Minister.....		11.00	11.00	
Provincial Secretary.....	541,500.00	729,353.40	187,853.40	
Provincial Treasurer:				
Main Office—Subsidy.....	3,155,000.00	3,155,007.48	7.48	
Interest.....	71,200.00	71,229.86	29.86	
Liquor Authority Transfer				
Fees.....	650,000.00	821,085.74	171,085.74	
Liquor Control Board.....	32,000,000.00	39,800,000.00	7,800,000.00	
Controller of Revenue Br.:				
Succession Duty.....	15,000,000.00	14,978,230.18		21,769.82
Corporation Tax.....	56,500,000.00	64,154,462.76	7,654,462.76	
Race Tracks.....	2,200,000.00	3,669,802.34	1,469,802.34	
Security Transfer Tax..	750,000.00	937,901.64	187,901.64	
Land Transfer Tax....	900,000.00	1,361,458.59	461,458.59	
Law Stamps.....	500,000.00	675,480.80	175,480.80	
Miscellaneous.....		60,382.59	60,382.59	
Motion Picture Censor-				
ship and Theatre				
Inspection Branch..	209,000.00	268,900.71	59,900.71	
	<u>\$111,935,200.00</u>	<u>\$129,953,942.69</u>	<u>\$18,040,512.51</u>	<u>\$ 21,769.82</u>
Public Works.....	\$ 38,000.00	\$ 44,286.74	\$ 6,286.74	\$
Public Welfare.....		890.15	890.15	
Reform Institutions.....	669,700.00	543,498.91		126,201.09
Travel and Publicity.....		388.87	388.87	
Miscellaneous.....	100,000.00			100,000.00
	<u><u>\$201,103,400.00</u></u>	<u><u>\$228,550,022.27</u></u>	<u><u>\$27,698,454.66</u></u>	<u><u>\$251,832.39</u></u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1949, TO MARCH 31, 1950**

	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 7,902,267.00	\$ 7,374,701.37	\$	\$ 527,565.63
Attorney-General.....	10,020,465.00	9,431,077.49		589,387.51
Education.....	49,794,800.00	50,996,180.75	1,201,380.75	
Health.....	24,079,050.00	24,044,552.69		34,497.31
Highways.....	33,500,000.00	40,468,073.60	6,968,073.60	
Insurance.....	109,700.00	103,231.15		6,468.85
Labour.....	954,262.00	958,549.17	4,287.17	
Lands and Forests.....	10,215,600.00	9,913,520.62		302,079.38
Lieutenant-Governor.....	14,500.00	12,137.72		2,362.28
Mines.....	839,700.00	769,885.16		69,814.84
Municipal Affairs.....	1,366,825.00	1,375,940.65	9,115.65	
Planning and Development.	2,474,145.00	2,018,918.67		455,226.33
Prime Minister.....	55,650.00	79,049.33	23,399.33	
Provincial Auditor.....	210,000.00	191,998.13		18,001.87
Provincial Secretary.....	910,025.00	881,845.95		28,179.05
Provincial Treasurer.....	2,677,150.00	2,494,526.46		182,623.54
Public Welfare.....	22,735,865.00	21,649,896.03		1,085,968.97
Public Works.....	2,997,000.00	3,032,013.73	35,013.73	
Reform Institutions.....	5,064,600.00	4,511,493.04		553,106.96
Travel and Publicity.....	599,550.00	580,611.04		18,938.96
Stationery Account.....		29,721.76	29,721.76	
Miscellaneous.....	100,000.00			100,000.00
	<u>\$176,621,154.00</u>	<u>\$180,917,924.51</u>	<u>\$ 8,270,991.99</u>	<u>\$3,974,221.48</u>
Public Debt:				
Interest, Exchange, etc..	18,698,500.00	18,349,663.73		348,836.27
Sinking Fund Instal- ments and Railway Aid Certificates.....	5,626,200.00	20,625,785.43	14,999,585.43	
	<u>\$200,945,854.00</u>	<u>\$219,893,373.67</u>	<u>\$23,270,577.42</u>	<u>\$4,323,057.75</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1949, TO MARCH 31, 1950**

	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Education.....	\$	\$ 600.00	\$ 600.00	\$
Highways.....	305,000.00	727,782.04	422,782.04	
Labour.....	5,500,000.00	5,595,426.38	95,426.38	
Lands and Forests.....	225,000.00	680,603.32	455,603.32	
Mines.....	45,000.00	39,879.41		5,120.59
Provincial Secretary.....	3,868,000.00	3,732,525.34		135,474.66
Provincial Treasurer.....	26,372,650.00	41,591,119.62	15,218,469.62	
Public Welfare.....		47,398.39	47,398.39	
Public Works.....		57,044.10	57,044.10	
	<u>\$ 36,315,650.00</u>	<u>\$ 52,472,378.60</u>	<u>\$16,297,323.85</u>	<u>\$ 140,595.25</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL PAYMENTS
FOR THE FISCAL YEAR APRIL 1, 1949, TO MARCH 31, 1950**

	BUDGET CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 14,050,000.00	\$ 10,804,129.00	\$	\$3,245,871.00
Health.....	13,775,000.00	15,781,376.17	2,006,376.17	
Highways.....	35,500,000.00	32,854,526.55		2,645,473.45
Labour.....	5,500,000.00	5,391,083.89		108,916.11
Lands and Forests.....	4,630,000.00	4,623,339.12		6,660.88
Provincial Secretary.....	1,300,000.00	1,371,550.83	71,550.83	
Provincial Treasurer.....	2,387,700.00	1,170,255.52		1,217,444.48
Public Welfare.....		90,947.42	90,947.42	
Public Works.....	8,500,000.00	6,921,392.01		1,578,607.99
Miscellaneous.....	150,000.00	122,268.46		27,731.54
	<u>\$ 85,792,700.00</u>	<u>\$ 79,130,868.97</u>	<u>\$ 2,168,874.42</u>	<u>\$8,830,705.45</u>

COMPARATIVE SUMMARY

**NET INTERIM * AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1949, TO MARCH 31, 1950**

	INTERIM	ACTUAL	ACTUAL OVER INTERIM
Net Ordinary Revenue.....	\$224,033,800.00	\$228,550,022.27	\$4,516,222.27
Less: Net Ordinary Expenditure (before providing for Sinking Funds and Maturing Railway Aid Certifi- cates).....	202,403,800.00	199,267,588.24	3,136,211.76
Surplus (before providing for Sinking Funds and Maturing Railway Aid Certifi- cates).....	\$ 21,630,000.00	\$ 29,282,434.03	\$7,652,434.03
Less: Provision for Sinking Funds and Maturing Railway Aid Certificates.....	20,626,000.00	20,625,785.43	214.57
Surplus.....	<u>\$ 1,004,000.00</u>	<u>\$ 8,656,648.60</u>	<u>\$7,652,648.60</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1949, TO MARCH 31, 1950**

	NET INTERIM REVENUE	NET ACTUAL REVENUE	ACTUAL OVER INCREASE	INTERIM DECREASE
Agriculture.....	\$ 885,000.00	\$ 846,807.36	\$ 76,694.75	\$ 38,192.64
Attorney-General.....	1,422,300.00	1,498,994.75	133,191.91	
Education.....	1,498,500.00	1,631,691.91		88,286.01
Health.....	2,584,800.00	2,496,513.99		
Highways:				3,861.48
Main Office.....	10,000.00	6,138.52		
Gasoline Tax Branch.....	57,600,000.00	58,234,333.76	634,333.76	
Miscellaneous Permits Branch.....	140,000.00	143,941.41	3,941.41	
Motor Vehicles Branch...	16,200,000.00	17,343,537.75	1,143,537.75	
	<u>\$ 73,950,000.00</u>	<u>\$ 75,727,951.44</u>	<u>\$ 1,781,812.92</u>	<u>\$ 3,861.48</u>
Insurance.....	\$ 298,000.00	\$ 338,483.49	\$ 40,483.49	\$
Labour.....	213,100.00	222,648.34	9,548.34	
Lands and Forests.....	10,800,000.00	10,921,652.37	121,652.37	
Mines.....	3,017,400.00	3,256,427.35	239,027.35	
Municipal Affairs.....	316,000.00	336,479.51	20,479.51	
Prime Minister.....		11.00	11.00	
Provincial Secretary.....	723,000.00	729,353.40	6,353.40	
Provincial Treasurer:				
Main Office—Subsidy....	3,155,000.00	3,155,007.48	7.48	
Interest.....	71,000.00	71,229.86	229.86	
Liquor Authority Transfer Fees.....	655,000.00	821,085.74	166,085.74	
Liquor Control Board....	37,500,000.00	39,800,000.00	2,300,000.00	
Controller of Revenue Branch:				
Succession Duty.....	14,500,000.00	14,978,230.18	478,230.18	
Corporation Tax.....	65,000,000.00	64,154,462.76		845,537.24
Race Tracks.....	3,670,000.00	3,669,802.34		197.66
Security Transfer Tax.	910,000.00	937,901.64	27,901.64	
Land Transfer Tax...	1,350,000.00	1,361,458.59	11,458.59	
Law Stamps.....	650,000.00	675,480.80	25,480.80	
Miscellaneous.....	33,000.00	60,382.59	27,382.59	
Motion Picture Censor- ship and Theatre In- spection Branch.....	264,000.00	268,900.71	4,900.71	
	<u>\$127,758,000.00</u>	<u>\$129,953,942.69</u>	<u>\$3,041,677.59</u>	<u>\$ 845,734.90</u>
Public Works.....	\$ 43,000.00	\$ 44,286.74	\$ 1,286.74	
Public Welfare.....		890.15	890.15	
Reform Institutions.....	524,700.00	543,498.91	18,798.91	
Travel and Publicity.....		388.87	388.87	
	<u>\$224,033,800.00</u>	<u>\$228,550,022.27</u>	<u>\$5,492,297.30</u>	<u>\$ 976,075.03</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1949, TO MARCH 31, 1950**

	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 7,411,000.00	\$ 7,374,701.37	\$	\$ 36,298.63
Attorney-General.....	9,761,300.00	9,431,077.49		330,222.51
Education.....	51,193,500.00	50,996,180.75		197,319.25
Health.....	24,366,800.00	24,044,552.69		322,247.31
Highways.....	42,232,000.00	40,468,073.60		1,763,926.40
Insurance.....	107,000.00	103,231.15		3,768.85
Labour.....	976,100.00	958,549.17		17,550.83
Lands and Forests.....	9,916,000.00	9,913,520.62		2,479.38
Lieutenant-Governor.....	12,000.00	12,137.72	137.72	
Mines.....	787,400.00	769,885.16		17,514.84
Municipal Affairs.....	1,348,000.00	1,375,940.65	27,940.65	
Planning and Development..	1,932,000.00	2,018,918.67	86,918.67	
Prime Minister.....	77,000.00	79,049.33	2,049.33	
Provincial Auditor.....	201,000.00	191,998.13		9,001.87
Provincial Secretary.....	880,000.00	881,845.95	1,845.95	
Provincial Treasurer.....	2,567,000.00	2,494,526.46		72,473.54
Public Welfare.....	21,757,000.00	21,649,896.03		107,103.97
Public Works.....	3,180,000.00	3,032,013.73		147,986.27
Reform Institutions.....	4,688,700.00	4,511,493.04		177,206.96
Travel and Publicity.....	579,000.00	580,611.04	1,611.04	
Stationery Account.....	20,000.00	29,721.76	9,721.76	
	<u>\$183,992,800.00</u>	<u>\$180,917,924.51</u>	<u>\$ 130,225.12</u>	<u>\$3,205,100.61</u>
Public Debt:				
Interest, Exchange, etc...	18,411,000.00	18,349,663.73		61,336.27
Sinking Fund Instalments and Railway Aid Certi- ficates.....	20,626,000.00	20,625,785.43		214.57
	<u>\$223,029,800.00</u>	<u>\$219,893,373.67</u>	<u>\$ 130,225.12</u>	<u>\$3,266,651.45</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1949, TO MARCH 31, 1950**

	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Education.....	\$	\$ 600.00	\$ 600.00	\$
Highways.....	695,000.00	727,782.04	32,782.04	
Labour.....	5,600,000.00	5,595,426.38		4,573.62
Lands and Forests.....	628,000.00	680,603.32	52,603.32	
Mines.....	30,000.00	39,879.41	9,879.41	
Provincial Secretary.....	3,758,000.00	3,732,525.34		25,474.66
Provincial Treasurer.....	41,270,000.00	41,591,119.62	321,119.62	
Public Welfare.....		47,398.39	47,398.39	
Public Works.....	40,000.00	57,044.10	17,044.10	
	<u>\$ 52,021,000.00</u>	<u>\$ 52,472,378.60</u>	<u>\$ 481,426.88</u>	<u>\$ 30,048.28</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
PAYMENTS FOR THE FISCAL YEAR APRIL 1, 1949, TO MARCH 31, 1950**

	NET INTERIM CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 11,050,000.00	\$ 10,804,129.00	\$	\$ 245,871.00
Health.....	13,100,000.00	15,781,376.17	2,681,376.17	
Highways.....	35,316,000.00	32,854,526.55		2,461,473.45
Labour.....	5,435,000.00	5,391,083.89		43,916.11
Lands and Forests.....	4,630,000.00	4,623,339.12		6,660.88
Provincial Secretary.....	1,350,000.00	1,371,550.83	21,550.83	
Provincial Treasurer.....	1,141,000.00	1,170,255.52	29,255.52	
Public Welfare.....		90,947.42	90,947.42	
Public Works.....	7,630,000.00	6,921,392.01		708,607.99
Miscellaneous.....	150,000.00	122,268.46		27,731.54
	<u>\$ 79,802,000.00</u>	<u>\$ 79,130,868.97</u>	<u>\$2,823,129.94</u>	<u>\$3,494,260.97</u>

*10 months' actual—2 months' forecast.

An analysis of the principal items of net ordinary revenue and expenditure for the fiscal year ended March 31, 1950, together with the percentage of the principal items to the total, is presented in the statement which follows.

**PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1950**

NET ORDINARY REVENUE

		%
Corporation Taxes.....	\$ 64,154,462.76	28.07
Gasoline Tax.....	58,228,132.84	25.41
Liquor Profits, Fines, Transfer Fees, etc.....	40,621,085.74	17.77
Motor Vehicle Licenses and Fees, etc.....	17,343,537.75	7.51
Succession Duties.....	14,978,230.18	6.51
Timber Dues, Bonus, etc.....	6,789,235.04	2.91
Race Track Betting Tax.....	3,669,802.34	1.61
Government of Canada—Annual Subsidies.....	3,155,007.48	1.35
All other revenues.....	19,610,528.14	8.51
	<u>\$228,550,022.27</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE

		%
Education.....	\$ 50,996,180.75	23.11
Highway Maintenance, Grants, etc.....	40,468,073.60	18.41
Public Debt:		
Interest, etc.....	\$18,353,449.16	
Sinking Fund Instalments.....	20,622,000.00	
		17.77
Health Services.....	24,044,552.69	10.71
Public Welfare.....	21,649,896.03	9.71
Conservation of Forests, Fish and Wildlife.....	9,913,520.62	4.41
Law Enforcement.....	9,431,077.49	4.21
Agricultural Services, Grants, etc.....	7,374,701.37	3.31
All other expenditures.....	17,039,921.96	7.61
	<u>\$219,893,373.67</u>	<u>100.00</u>

Estimated gross expenditure for the year as shown on page 5 of the 1950 estimates was \$316,668,032.00. The actual gross expenditure was \$336,447,678.17, a net increase of \$19,779,646.17. The following analysis summarizes the net increase in actual over estimated gross expenditure.

ANALYSIS OF GROSS EXPENDITURE

CLASSIFICATION	ESTIMATED	GROSS ACTUAL	GROSS ACTUAL UNDER ESTIMATED	GROSS ACTUAL OVER ESTIMATED
Ordinary:				
Voted.....	\$135,348,633.00	\$133,897,406.85	\$1,451,226.15	\$
Statutory.....	72,517,121.00	94,484,970.44		21,967,849.44
Special Warrants.....		140,066.48		140,066.48
	<u>\$207,865,754.00</u>	<u>\$228,522,443.77</u>	<u>\$1,451,226.15</u>	<u>\$22,107,915.92</u>
Capital:				
Voted.....	\$ 43,791,178.00	\$ 46,371,396.33	\$	\$ 2,580,218.33
Statutory.....	65,011,100.00	61,553,838.07	3,457,261.93	
	<u>\$108,802,278.00</u>	<u>\$107,925,234.40</u>	<u>\$3,457,261.93</u>	<u>\$ 2,580,218.33</u>
Total Expenditure.....	<u>\$316,668,032.00</u>	<u>\$336,447,678.17</u>	<u>\$4,908,488.08</u>	<u>\$24,688,134.25</u>

Summary of Net Increase in Actual over Estimated Gross Expenditure

CLASSIFICATION	AMOUNT
Voted.....	\$ 1,128,992.18
Statutory.....	18,510,587.51
Special Warrants.....	140,066.48
	<u>\$19,779,646.17</u>

The net increase in actual over estimated gross expenditure under the classifications of voted, statutory and special warrants is commented on as follows:

VOTED

The Legislative Assembly authorized expenditure appropriations for the fiscal year under review in the amount of \$179,139,811.00, comprised of \$135,348,633.00 ordinary account and \$43,791,178.00 capital account. Actual gross expenditures charged to appropriations amounted to \$180,268,803.18 comprised of \$133,897,406.85 ordinary account and \$46,371,396.33 capital account. Thus the total actual gross expenditure charged to appropriations authorized was \$1,128,992.18 more than the total amount authorized. It is pointed out, however, that while the total actual gross expenditure was only \$1,128,992.18 more than the total appropriations authorized many appropriations authorized were exceeded and treasury board orders were issued by the Treasury Board for the required authority. In all cases where the actual expenditure exceeded the original appropriation the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$13,720,336.00 comprising

\$7,460,336.00 ordinary account and \$6,260,000.00 capital account with actual expenditure relative thereto amounting to \$12,484,064.45 of which \$6,608,329.60 applied to ordinary and \$5,875,734.85 to capital. These expenditures form part of the total gross expenditure of \$180,268,803.18 referred to above and are not in addition thereto.

Full details of treasury board orders authorized and the amounts expended as a consequence thereof will be found on pages 26-33 of this report.

STATUTORY

The Estimates presented for 1949-50 forecast \$137,528,221.00 gross expenditure under statutory authority. This sum was divided \$72,517,121.00 to ordinary expenditure and \$65,011,100.00 to capital purposes. The actual total gross statutory outlay amounted to \$156,038,808.51, which was \$18,510,587.51 in excess of the estimate of \$137,528,221.00. This is the result of actual gross ordinary statutory expenditure exceeding the estimate by \$21,967,849.44 and actual gross capital statutory payments being \$3,457,261.93 less than the estimate. The excess of \$21,967,849.44 in gross ordinary statutory expenditure over the estimate is accounted for by a \$15,000,000.00 Sinking Fund instalment made in respect of debenture issue, series "B.R.", and an increase of \$7,553,534.84 in Highways' gross ordinary statutory expenditure, less a net decrease of \$585,685.40 in all other items of gross ordinary statutory expenditure.

The total gross outlay on capital statutory account was less than the related estimates by \$3,457,261.93. This difference arises as follows:

PAYMENTS UNDER THE ESTIMATE:

Agriculture—H.E.P.C.:	
Bonus for Rural Primary and Secondary Lines.....	\$3,173,871.00
Highways.....	2,645,473.45
	<u>\$5,819,344.45</u>

PAYMENTS OVER THE ESTIMATE:

Health—Hospital Aid Fund.....	\$2,006,376.17	
Miscellaneous.....	355,706.35	2,362,082.52
		<u>\$3,457,261.93</u>

SPECIAL WARRANTS

During the year expenditure in the amount of \$140,066.48 was made through special warrants under authority of subsection 3 of section 13 of The Audit Act, 1950. The main items were for a grant to the Alcoholism Research Foundation in the amount of \$95,000.00, expenses incurred in connection with the "Noronic" disaster amounting to \$19,255.08, and for operating expenses, etc. of the Ontario Hospital, Aurora, \$13,455.03.

Full details of special warrants authorized and the amounts expended as a consequence thereof will be found on pages 34-35 of this report.

GENERAL

I refer hereunder to certain matters relating to the operations of the year 1950.

During the year net capital expenditures on King's Highways, Development Roads and Municipal Roads Subsidies amounted to \$32,269,729.72, which is a increase of \$4,149,058.47 over 1949.

Capital payments were made to the Hydro-Electric Power Commission of Ontario in the amount of \$10,622,129.00 to assist in rural electrification projects. This was an increase of \$2,593,561.00 over 1949.

Public Works and Buildings were added to during the year by the capital expenditure of \$5,882,368.28 and General Works and Improvements by the capital expenditure of \$1,039,023.73.

Sinking Fund Instalments of \$20,622,000.00 were provided through Ordinary Account.

Contributions by the Province to the Teachers' Superannuation Fund and the Ontario Public Service Superannuation Fund amounted to \$2,334,371.00 and \$1,287,490.68 respectively. These contributions are in accordance with the requirements of the respective enactments relative thereto but, in my opinion, and as stated in my report of December 20, 1949, the receipts of the Teachers' Superannuation Fund and the Ontario Public Service Superannuation Fund comprised of contributions from employees, together with equivalent contributions from the Government, Boards, Commissions and Municipalities and interest earned, are insufficient to meet the actuarial requirements of the Funds.

It is again pointed out that the Province should adopt the principle of providing in full for future superannuation benefits in the year in which the service which gives rise to the right thereto is rendered.

AUDIT OF REVENUE

I have to report that, as a result of examinations of the revenues of various departments, I am of the opinion that the revenues of the Province are being fully accounted for.

A continuous audit is maintained of the revenues of the Province.

The systems of internal control and the accounting procedures in operation in the various departments have been reviewed to the extent deemed adequate to establish their effectiveness.

Pursuant to section 2 of The Public Service Act, 1947, one of the duties of the Civil Service Commission is to determine the value of perquisites granted to civil servants. In view of increases in remuneration by way of salary and cost of living bonus it is recommended that a complete review be made of the value of perquisites received by employees in the service.

AUDIT OF EXPENDITURE

In accordance with the requirements of The Audit Act, 1950, an audit has been maintained of the expenditures of the Province made during the fiscal year ended March 31, 1950.

The wisdom of economy cannot be overemphasized and I would draw to the attention of the Departments that there must be no relaxation of the vigilance with which they seek to control expenditures.

The even flow of work in processing accounts for payment is at times disrupted by irregular submission by Departments. Difficulties experienced by the Departments in forwarding accounts for audit and payment are said to be due to pressure of work, lack of experienced staff, lack of accommodation, the scattered nature of the accommodation occupied. In my opinion, promptness in

accounting is second in importance only to accuracy. Promptness in accounting should also lead to progress in diminishing the constant congestion at the end of the financial year, the evils attending which are well known.

I feel bound to point out that, in my opinion, the tried and established system of accounting for expenditures from voted moneys by means of appropriation accounts is the most effective method of securing control by the Assembly and I therefore urge that this system be followed in any future legislation involving expenditure. Where, in connection with proposed legislation, any variation from the system above stated is contemplated I recommend that the attention of the Assembly should be specifically drawn to the proposed variation, so that the arrangements may be fully appreciated when the legislation is under consideration.

BALANCE SHEET

The Balance Sheet does not include as an asset the value of Crown timber, mineral wealth of Crown lands, Crown lands, water powers, fish, game and fur.

The Balance Sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

I report hereunder on certain of the Assets and Liabilities as shown on the Balance Sheet at March 31, 1950.

ASSETS

CASH ON HAND AND IN BANKS—\$42,766,581.97

Cash in Chartered Banks.....	\$41,507,659.42
Savings Office—Cash on hand and in banks.....	1,258,922.55
	<u>\$42,766,581.97</u>

The cash on deposit in chartered banks for the account of the Treasury and various Savings Office branches was verified by reconciliation with letters of confirmation received directly from the depositaries.

Cash on hand in the various branches of the Province of Ontario Savings Office was verified by reconciliation with letters of confirmation received directly from the responsible branch managers. The branches of the Savings Office were examined by Head Office inspectors at various unannounced times during the year.

LOANS AND ADVANCES

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—\$70,208,723.97

During the fiscal year ended March 31, 1950, the Commission repaid \$1,658,948.91 to the Province of Ontario on account of advances made under The Power Commission Act. The money originally advanced by the Province represented a portion of the proceeds of certain Provincial debenture issues. As the debentures mature the Province is repaid the portion originally advanced.

Since 1934 capital funds for the Hydro-Electric Power Commission of Ontario have been provided by issue of bonds of the Commission with the approval of the Lieutenant-Governor in Council. Such bonds bear the guarantee of the Province of Ontario and form the major part of the Province's contingent liabilities.

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,934.92

This amount represents advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS, \$15,176,144.88

The assets of the Housing Corporation Limited have increased by \$10,896,832.20. This is due largely to additional mortgage loans made during the year.

Under The Housing Development Act, 1948, the Province guaranteed the indebtedness of the Housing Corporation Limited, which is a corporation created by the Province for the purpose of rendering assistance to persons requiring housing. Money was loaned to individuals on the security of second mortgages. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

As of December 31, 1949, the loaning of money was discontinued owing to the Government of Canada amending The National Housing Act under which loans will be made available to individuals building or purchasing new homes in an amount approximately equivalent to the former N.H.A. first mortgage loan and the Ontario second mortgage loan.

The assets and liabilities of the Housing Corporation Limited have been included with the other accounts on the Balance Sheet of the Province. The balance sheet of the Housing Corporation Limited is also shown separately in the Public Accounts.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—
INVESTMENTS, \$9,758,152.43

Agricultural Development Board—Debentures	\$ 9,625,000.00
The Farm Loans Act—Farm Loans Associations	41,698.15
—Capital Stock in Associations	2,145.00
Municipal Debentures—Village of West Lorne	89,309.28
	<u>\$ 9,758,152.43</u>

During the year the principal sum of \$2,184,990.60 was received on account of investments under the above Act.

Maturity dates of the Agricultural Development Board Debentures were originally related to the maturity dates of the loans issued. The maturity dates of many of these loans have been altered by re-amortization and re-issue to dates beyond the terms of the related debentures. Consequently, unless the maturity dates of the debentures are amended by order-in-council, the Commissioner of Agricultural Loans will experience difficulty in meeting all the debentures of the Agricultural Development Board as they fall due.

MUNICIPALITIES, ETC.—\$5,839,894.04

Co-operative Marketing Loans	\$ 894,745.00
Drainage Debentures	1,077,062.29
Sandwich, Windsor and Amherstburg Railway Bonds	1,450,000.00
City of Windsor Municipal Debentures	2,314,081.84
Miscellaneous	104,004.91
	<u>\$ 5,839,894.04</u>

Net increases during the year were made in Co-operative Marketing Loans in the amount of \$55,455.00, and in Drainage Debentures amounting to \$79,192.15. The Sandwich, Windsor and Amherstburg Railway met a maturity of \$50,000.00 during the year and the City of Windsor paid off \$67,563.01 of its debentures at the due dates throughout the year.

DOMINION OF CANADA—\$4,272,886.72

DEBT ACCOUNT—\$2,848,289.52

There has been no change in this account during the year.

COMMON SCHOOL FUND—\$1,424,597.20

There has been no change in this account during the year.

BUILDINGS, ROADS, ETC.—\$635,970,498.10

Roads and Highways.....	\$470,325,198.62
Public Buildings, Public Works, etc.....	159,574,672.94
Niagara Parks Commission.....	1,907,248.49
Mississagi Salvage.....	4,163,378.05
	<u>\$635,970,498.10</u>

The book value of Roads and Highways, \$470,325,198.62, Public Buildings, Public Works, etc., \$159,574,672.94, represent accumulated capital expenditure to date, and the amounts are stated at cost. No depreciation has been accrued on these assets. Net increases during the year were as follows: Roads and Highways, \$32,269,729.72, Public Buildings, Public Works, etc., \$17,235,932.99 of which \$10,622,129.00 relates to Rural Power Bonus and the remaining \$6,613,803.99 to Public Buildings and Public Works.

The surplus account of the Niagara Parks Commission as at the close of its fiscal year, October 31, 1949, showed a balance of \$1,907,248.49, which is included in the accounts of the Province by authority of subsection 2 of section 14 of The Niagara Parks Act, 1949. This amount has been brought on the Balance Sheet through an adjustment to Surplus Account.

In 1948-49 net expenditures in connection with the Mississagi salvage project amounting to \$1,489,844.65 were charged to ordinary account. This amount was deemed to be the maximum amount of expense relative to the operation. In 1949-50 net expenditures of \$4,163,378.05 have been carried as an asset which it is confidently expected will be fully realized on the sale of lumber from salvaged timber in future years.

OTHER LOANS AND ADVANCES—\$1,080,442.01

Co-operative Marketing Loans.....	\$ 125,000.00
Guaranteed Debentures and Interest Coupons redeemed by Province....	548,788.44
Home Bank (in Liquidation)—Balance.....	223,000.00
Municipal Drainage Debentures.....	2,760.26
Promissory Notes Paid.....	53,902.23
Settlers' Loans.....	125,461.08
Mothers' Allowances—Municipalities.....	1,530.00
	<u>\$ 1,080,442.01</u>

This represents a segregation of Loans and Advances which are in arrears or in default.

During the year the sum of \$27,000.00 was received from the liquidators of the Home Bank.

Outstanding Settlers' Loans have been reduced by \$30,092.67.

These assets are carried at book value as the ultimate realizable value cannot be determined at this date.

DISCOUNT ON DEBENTURES—\$5,531,569.27

Discounts and premiums on Provincial debenture issues are amortized in each case over the term of the related issue. The unamortized balances comprising the above total are shown in detail in the Public Accounts of Ontario for 1949-50 on page 47.

ACCOUNTS RECEIVABLE—\$9,818,657.23

This is the net total of the accounts receivable of all Departments of the Provincial Government after the deduction of reserves for uncollectible accounts and includes \$6,535,333.30 representing the surplus of the Liquor Control Board of Ontario less a provision for revenue stabilization.

The accounts receivable were submitted by Departmental Accountants. The reserves provided are considered adequate. This asset has been brought on the Balance Sheet by an adjustment through Surplus Account.

INTEREST RECEIVABLE (DUE AND ACCRUED)—\$1,413,813.71

There is owing to the Provincial Treasurer of Ontario \$3,613,813.71 for interest due and accrued on the debentures of the Agricultural Development Board. A reserve of \$2,200,000.00 is provided against the \$3,613,813.71, since a deficit of some \$2,000,000.00 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectible. At the present time this reserve is considered to be adequate. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS—\$4,073,161.43

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued, as in previous years, on a basis not exceeding cost. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$585,350,849.80

Stocks and Debentures.....	\$653,602,500.00
Less—Sinking Funds.....	69,152,000.00
	<u>\$584,450,500.00</u>
Railway Aid Certificates.....	349.80
Sandwich, Windsor and Amherstburg Railway Company Bonds, due July 1, 1961—principal assumed.....	900,000.00
	<u><u>\$585,350,849.80</u></u>

The details of Stocks and Debentures outstanding at March 31, 1950, are shown in the Public Accounts for 1949-1950 on page 49.

The Sinking Funds amount to \$69,152,000.00 of which \$68,776,650.00 is invested in securities and \$375,350.00 is held as uninvested funds. The securities held consist of issues of the Province of Ontario, The Hydro-Electric Power Commission of Ontario guaranteed by the Province, and the Government of Canada. These have been verified by actual count. The uninvested funds have been verified from the records of the Provincial Treasurer.

UNFUNDED DEBT—\$98,626,787.22

DEMAND DEPOSITS WITH PROVINCE OF ONTARIO

SAVINGS OFFICE—\$66,248,130.27

Current deposits of \$66,200,985.28 and unclaimed balances of \$47,144.99 comprise this amount and these accounts are carried by 22 branches of the Savings Office throughout the Province. The liability of the Savings Office to the depositors is similar to the liability of a Chartered Bank in regard to savings deposits.

SPECIAL FUNDS—\$17,359,805.10

Details of the balances included in this amount are shown on page 50 of the Public Accounts. The liability arises primarily through the receipt of funds which are subject to future disbursement by the Province.

During the year the Ontario Public Service Superannuation Fund deposit of Uninvested Funds increased by \$2,360,974.51 to a balance of \$11,773,644.71.

The funds held for redemption of vacation with pay stamps increased by \$209,176.30 to a new balance at March 31, 1950, of \$4,080,045.65.

The Unsatisfied Judgment Fund showed a net increase of \$142,985.21 and now stands at \$366,568.75.

The Hospital Aid Fund which was formerly included in this section was discontinued and the balance of the Fund as at March 31, 1950, was transferred to the Consolidated Revenue Fund by authority of section 12 of The Public Hospitals Amendment Act, 1950. In future all receipts of Hospitals Tax and grants to Public Hospitals will pass through the Consolidated Revenue Fund as Ordinary Revenue and Expenditure of the Province by authority of The Hospitals Tax Amendment Act, 1950, and The Public Hospitals Amendment Act, 1950.

HOUSING CORPORATION LIMITED—\$15,013,851.85

The liabilities of the Housing Corporation Limited consist mainly of a bank overdraft of \$1,007,860.42, and promissory notes for \$14,000,000.00, both guaranteed by the Province of Ontario.

MISCELLANEOUS—\$5,000.00

This account provides for certain definitive debentures now matured for which interim certificates have not been presented and for a debenture matured but not presented for payment.

ACCOUNTS PAYABLE—\$2,012,693.40

This account incorporates the value of goods received and services rendered during the year which had not been paid for as at March 31, 1950. Of the total, \$1,776,094.89 arises from timber deposits and other credit balances of the Department of Lands and Forests. This liability has been brought on the Balance Sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$8,019,004.23

Interest accrued but not yet due at March 31st, 1950, on debentures outstanding in the hands of the public accounts for \$8,006,596.73 of this amount. This liability has been brought on the Balance Sheet by an adjustment through Surplus Account.

RESERVES—\$1,369,529.87

A net increase in reserves of \$153,286.89 took place during the year. The main source of this increase was the addition of \$143,635.64 to the Reserve for Mortgage Loans Principal and Interest of The Housing Corporation Limited.

SURPLUS—\$140,739,696.16

Surplus account has increased during the year by \$29,738,504.64. Details of the changes in surplus during the year are shown in the Public Accounts for 1949-1950 on page 8.

CONTINGENT LIABILITIES—\$397,141,129.12

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Municipalities, Commissions, Railways, Schools, etc., as shown in the Public Accounts for 1949-1950 on pages 55-58, are in accordance with the authority granted in the governing statutes.

During the fiscal year contingent liabilities increased by \$137,914,444.46. The increase is due largely to a net increase of \$129,994,000.00 in debenture issues of the Hydro-Electric Power Commission of Ontario and an issue for \$7,500,000.00 by the University of Toronto which have been guaranteed by the Province of Ontario.

CHARTS AND STATEMENTS

Charts indicating the changes in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ending March 31, 1950, are appended to this report on pages 24-25.

Statements showing details of the Treasury Board Orders issued for expenditures in excess of appropriations during the fiscal year ended March 31, 1950, and Special Warrants issued during the fiscal year ended March 31, 1950, are submitted in separate sections immediately following the charts referred to above.

I wish to acknowledge the courtesy and co-operation afforded to this Office by the officials and staff of the various departments, boards and commissions during the conduct of the audit.

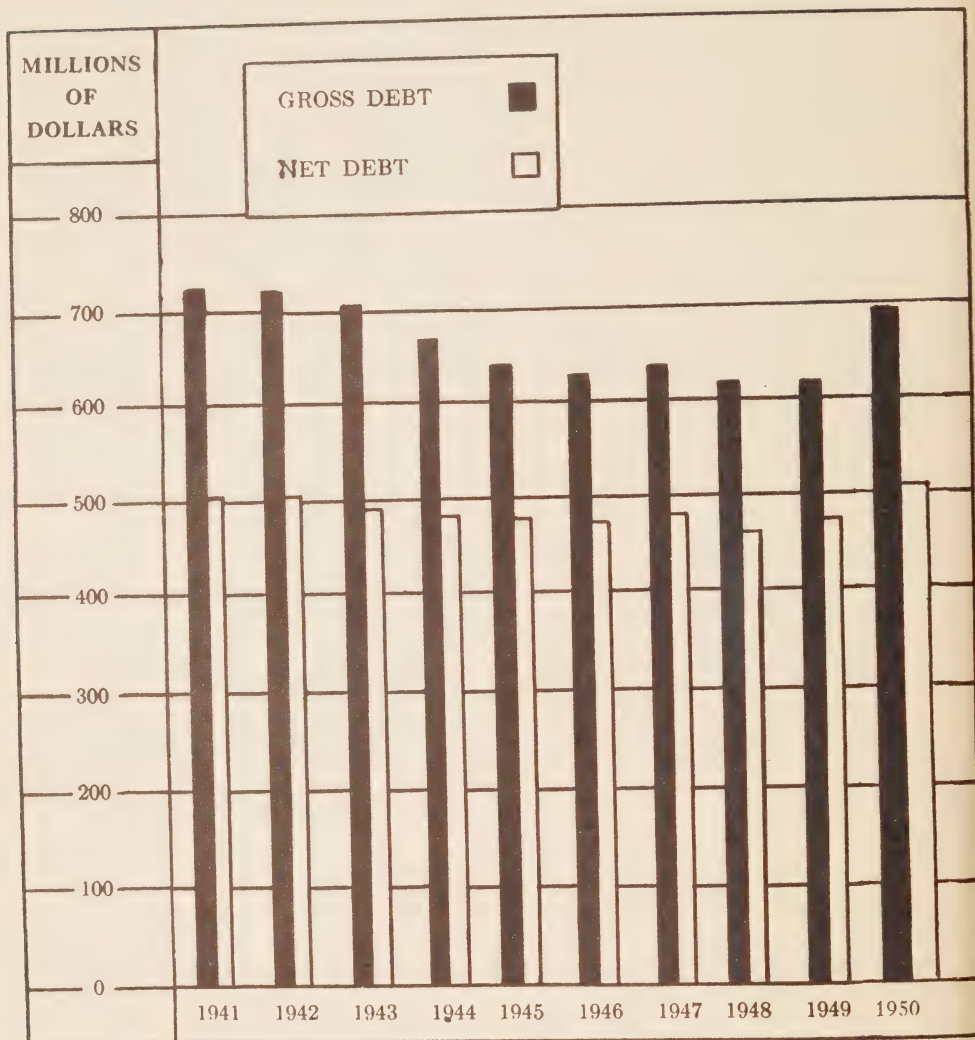


H. A. COTNAM, F.C.A.,

Provincial Auditor.

Toronto, November 20th, 1950.

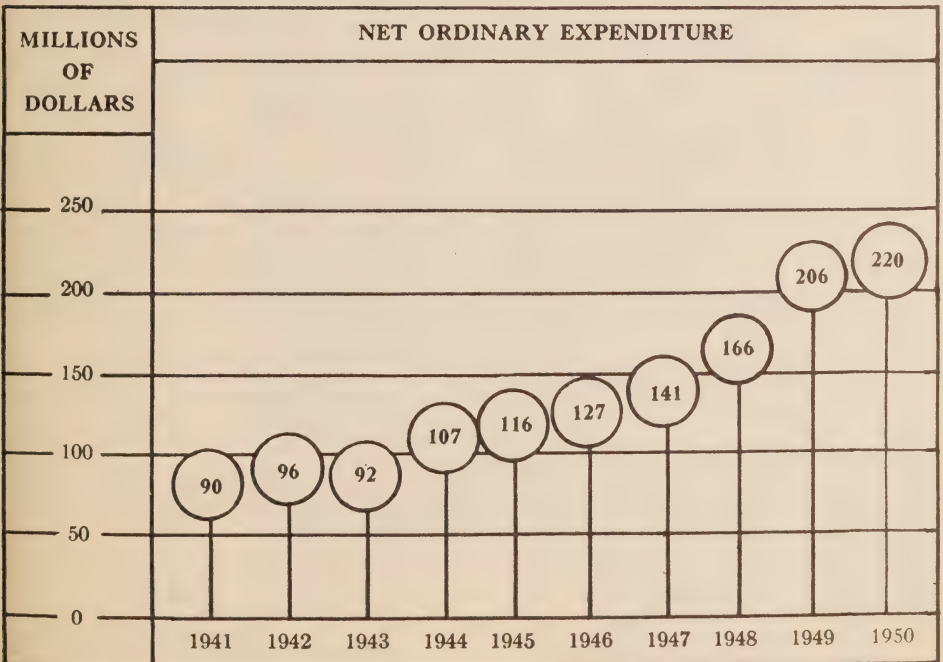
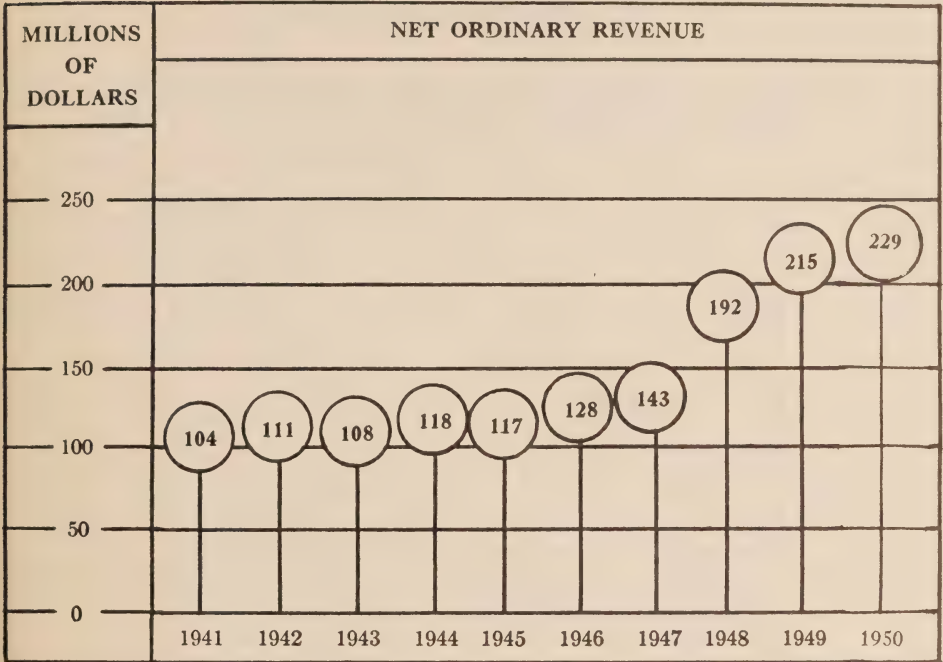
PROVINCE OF ONTARIO
GROSS AND NET PROVINCIAL DEBT
FOR THE TEN YEARS ENDED MARCH 31, 1950



Gross and Net Debt per Public Accounts

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1941	\$729,648,162.76	\$506,200,014.37
1942	724,770,880.95	507,128,106.48
1943	704,864,361.10	495,441,291.33
1944	666,527,963.39	482,493,563.88
1945	646,483,511.60	480,308,957.15
1946	639,315,323.52	478,419,323.59
1947	645,221,457.67	493,087,004.24
1948	628,388,019.47	466,753,485.97
1949	628,662,860.20	483,675,155.06
1950	694,009,334.65	508,819,331.50

PROVINCE OF ONTARIO

NET ORDINARY REVENUE AND EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1950

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR EXPENDITURES
IN EXCESS OF APPROPRIATIONS, DURING THE FISCAL YEAR
ENDED MARCH 31, 1950

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Agriculture		
	Main Office:		
	Compensation for Injured Workmen:		
Sept. 8, 1949	Order.....\$ 1,000.00		
Mar. 29, 1950	" 750.00	1,750.00	1,734.08
	Agricultural and Horticultural Societies Branch:		
Dec. 22, 1949	Salaries.....	3,500.00	2,926.88
Feb. 2, 1950	Grants re Plowing Matches.....	125.00	16.99
	Grants to Exhibition Associations for Capital Improvements:		
Feb. 2, 1950	Order.....\$ 3,000.00		
Mar. 29, 1950	" 10,000.00		
April 20, 1950	" 15,000.00	28,000.00	27,590.00
	Live Stock Branch:		
	Expenses re T.B. Testing Work:		
Nov. 30, 1949	Order.....\$40,000.00		
April 20, 1950	" 9,000.00	49,000.00	48,485.59
	Northern Ontario Branch:		
Feb. 2, 1950	Salaries.....	3,000.00	2,696.09
	Women's Institute Branch and Home Economics Service:		
Feb. 2, 1950	Maintenance.....	4,000.00	2,276.59
Feb. 2, 1950	Services, Travelling Expenses, Grants, etc.....	10,500.00	7,906.80
	Horticultural Experiment Station, Vineland:		
Feb. 24, 1950	Horticultural Products Laboratory, Maintenance	3,000.00	2,800.17
	Ontario Agricultural College, Guelph:		
	General Office, Salaries:		
Feb. 24, 1950	Order.....\$ 350.00		
Mar. 29, 1950	" 200.00	550.00	460.67
	Ontario Veterinary College, Guelph:		
Feb. 24, 1950	Travelling Expenses.....	1,000.00	983.65
Feb. 24, 1950	Research Investigation and Extension Work....	4,500.00	2,751.52
Feb. 24, 1950	Extension (Regional Office and Laboratories)...	9,500.00	9,100.72
	Western Ontario Experimental Farm, Ridgetown:		
Feb. 24, 1950	Salaries.....	100.00	92.65
		118,525.00	109,822.44

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
	Department of Attorney-General	\$ c.	\$ c.
Feb. 2, 1950	Main Office: Travelling Expenses.....	1,500.00	355.76
Nov. 30, 1949	Commissions and Sundry Investigations: Order.....	\$15,000.00	
Feb. 2, 1950	".....	7,000.00	19,626.84
Feb. 2, 1950	Grant, Conferences on Improving Laws.....	500.00	388.03
Feb. 2, 1950	Supreme Court of Ontario: Grant to Judges' Library.....	1,000.00	1,000.00
Feb. 2, 1950	Land Titles Office: Salaries.....	2,500.00	1,731.69
Feb. 2, 1950	Maintenance.....	3,500.00	3,056.67
Feb. 2, 1950	Public Trustee's Office: Maintenance.....	12,000.00	7,209.61
Feb. 2, 1950	Official Guardian's Office: Salaries.....	7,500.00	4,833.56
Feb. 2, 1950	Maintenance.....	4,800.00	3,539.38
Feb. 2, 1950	Inspector of Legal Offices: Travelling Expenses.....	3,000.00	91.93
Feb. 2, 1950	Judicial Officers in Districts: Office Equipment.....	5,000.00	2,715.41
Feb. 2, 1950	Local Masters of Titles and Registrars of Deeds Offices: Forms, Copying and Contingencies.....	2,000.00	808.44
Feb. 2, 1950	Law Enforcement Branch: Travelling Expenses.....	100,000.00	99,081.50
Feb. 2, 1950	Maintenance.....	30,000.00	29,995.11
Sept. 8, 1949	Ontario Provincial and Municipal Police Training Schools.....	45,000.00	27,020.75
Feb. 2, 1950	Radio Communicating System.....	80,000.00	78,978.43
		320,300.00	280,433.11
	Department of Education		
Sept. 8, 1949	Main Office and General Departmental Expenses: Main Office: Travelling Expenses.....	2,500.00	1,828.53
April 20, 1950	General Departmental Expenses: Departmental Publications, Pamphlets for the use of Schools, etc.....	12,000.00	11,349.25
April 20, 1950	Maintenance.....	1,500.00	1,356.88
Dec. 22, 1949	Unemployment Insurance Stamps.....	500.00	190.80
Sept. 8, 1949	Public and Separate Schools Branch: Travelling Expenses.....	3,000.00	2,529.11
Sept. 8, 1949	Experimental Elementary School Buildings— Services, materials, etc.....	4,000.00	.92
Sept. 8, 1949	Inspection of Elementary Schools: Salaries.....	20,000.00	7,686.40
April 20, 1950	Travelling and Office Expenses.....	9,000.00	6,780.71
Nov. 30, 1949	Inspection of Indian Schools—Services and Travelling Expenses.....	200.00	157.95
Feb. 24, 1950	Correspondence Courses: Maintenance.....	2,500.00	1,634.78
Feb. 24, 1950	Railway School Cars: Maintenance: Order.....	\$12,000.00	
April 20, 1950	".....	500.00	12,498.18

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
Department of Education—Continued			
Vocational Education Branch:			
Technical Institutes:			
Dec. 22, 1949	Salaries.....	25,000.00	9,650.72
Maintenance:			
Dec. 22, 1949	Order.....	\$25,000.00	
Feb. 24, 1950	".....	35,000.00	
April 20, 1950	".....	8,000.00	67,994.00
Training Schools Branch:			
Feb. 24, 1950	Practice Teaching.....	15,000.00	13,352.94
Sept. 8, 1949	Normal Schools, Salaries.....	6,000.00	4,701.02
Special Services:			
April 20, 1950	Auxiliary Education—Salaries.....	100.00	36.25
Mar. 29, 1950	Music—Travelling Expenses.....	300.00	281.85
Summer Camps:			
April 20, 1950	Travelling Expenses.....	300.00	288.44
Sept. 8, 1949	Camps—Development and Maintenance.....	12,000.00	11,044.23
Sept. 8, 1949	Operation of Camps—Services, etc.....	28,000.00	20,599.83
Departmental Examinations Branch:			
April 20, 1950	Salaries.....	1,200.00	1,037.00
April 20, 1950	Maintenance.....	4,000.00	2,376.22
Public Libraries Branch:			
April 20, 1950	Ontario Library Review—Publishing and Distribution.....	1,500.00	1,478.07
Legislative Library:			
Sept. 8, 1949	Travelling Expenses.....	100.00	61.60
April 20, 1950	Maintenance.....	750.00	748.63
Legislative Grants, etc.:			
Feb. 24, 1950	General Legislative Grants.....	750,000.00	734,818.00
Nov. 30, 1949	Cost of Education of Non-Resident Pupils, etc..	100,000.00	99,980.60
Sept. 8, 1949	Public and County Libraries.....	30,000.00	29,844.44
Grants to Provincial and Other Universities:			
April 20, 1950	University of Toronto.....	612,500.00	612,500.00
		1,722,450.00	1,656,807.50
Department of Health			
Main Office:			
Costs and Expenses of Investigations and Legal Actions, etc.:			
Sept. 8, 1949	Order.....	\$ 500.00	
Feb. 2, 1950	".....	1,000.00	974.50
Mar. 29, 1950	Maintenance.....	7,000.00	6,946.30
Mar. 29, 1950	Unemployment Insurance Stamps.....	100.00	69.10
Cancer Control:			
Sept. 8, 1949	Ontario Cancer Treatment and Research Foundation, grant.....	86,500.00	60,846.70
Health Units Branch:			
Mar. 29, 1950	Special Health Services Authorized by the Minister, etc.....	10,000.00	9,679.90
Public Health Nursing Branch:			
Mar. 29, 1950	Maintenance.....	500.00	382.00

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Health—Continued				
Mar. 29, 1950	Dental Service Branch: Grants for School Dental Services	4,500.00		4,498.52	
Mar. 29, 1950	Nurses' Registration Branch: Services, Examination Board	3,000.00		2,711.16	
Mar. 29, 1950	Epidemiological Branch: Outbreaks of Diseases, Sanitary Investigations, etc.	267,000.00		266,998.94	
Mar. 29, 1950	Laboratory Branch—Central Laboratory: Maintenance	15,000.00		14,998.31	
Mar. 29, 1950	Branch Laboratories: London, Maintenance	3,500.00		2,501.17	
Mar. 29, 1950	Hospitals Branch: Public and Private Hospitals Division:				
Feb. 2, 1950	Maintenance	500.00		498.97	
	Unforeseen and Unprovided	1,000.00		337.10	
Mar. 29, 1950	Ontario Hospitals Division—General Expenses:				
Mar. 29, 1950	Compensation for Injured Workmen	6,000.00		5,214.44	
Mar. 29, 1950	Printing and Stationery for Ontario Hospitals	7,000.00		6,999.28	
Mar. 29, 1950	Payments to Schools for Education of Chil- dren of Ontario Hospitals' Staff, etc.	400.00		342.47	
Mar. 29, 1950	Transport Service	2,500.00		2,334.18	
Mar. 29, 1950	Ontario Hospitals:				
	Brockville:				
	Maintenance	50,000.00		49,881.63	
Mar. 29, 1950	Cobourg:				
	Salaries	5,000.00		4,416.06	
Mar. 29, 1950	Maintenance	18,000.00		17,999.38	
Mar. 29, 1950	Hamilton:				
	Salaries	16,000.00		15,807.11	
Mar. 29, 1950	Maintenance	13,000.00		11,433.33	
Mar. 29, 1950	Kingston:				
	Salaries	33,000.00		32,830.30	
Mar. 29, 1950	Maintenance	50,000.00		46,830.50	
Mar. 29, 1950	London:				
	Salaries	27,000.00		26,967.07	
Mar. 29, 1950	Maintenance	50,000.00		35,092.49	
Mar. 29, 1950	New Toronto:				
	Maintenance	35,000.00		26,806.88	
Mar. 29, 1950	Ontario Hospital School, Orillia:				
	Maintenance	30,000.00		29,456.58	
Mar. 29, 1950	Penetanguishene:				
	Maintenance	9,000.00		6,980.91	
Mar. 29, 1950	St. Thomas:				
	Salaries	37,000.00		36,998.90	
Mar. 29, 1950	Maintenance	60,000.00		59,991.21	
Mar. 29, 1950	Toronto:				
	Salaries	13,500.00		12,111.05	
Mar. 29, 1950	Maintenance	25,000.00		24,978.39	
Mar. 29, 1950	Whitby:				
	Salaries	16,500.00		14,430.64	
April 20, 1950	Woodstock:				
	Salaries	2,000.00		1,502.96	
Mar. 29, 1950	Toronto Psychiatric:				
	Maintenance	7,500.00		7,484.55	
		913,500.00		848,333.09	

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Labour				
Feb. 24, 1950	Main Office:				
	Salaries.....	3,000.00		2,672.19	
Feb. 24, 1950	Travelling Expenses:				
April 20, 1950	Order.....\$ 2,000.00				
	".....1,000.00	3,000.00		2,592.32	
Feb. 24, 1950	Maintenance.....	2,000.00		1,995.68	
Sept. 8, 1949	Conciliation Boards (Commissioners, etc.):				
Nov. 30, 1949	Order.....\$20,000.00				
Feb. 24, 1950	".....20,000.00				
Mar. 29, 1950	".....5,000.00				
	".....15,000.00	60,000.00		48,692.66	
Feb. 2, 1950	Investigations, Library Publications, etc.....	15,000.00		5,187.17	
Feb. 24, 1950	Industry and Labour Board:				
Feb. 24, 1950	Salaries.....	2,600.00		2,576.36	
	Maintenance.....	3,000.00		1,924.99	
Feb. 24, 1950	Boiler Inspection Branch:				
	Salaries.....	1,000.00		718.55	
Feb. 24, 1950	Labour Relations Board:				
	Salaries.....	1,000.00		321.67	
Nov. 30, 1949	Per Diem Allowances:				
Feb. 24, 1950	Order.....\$ 3,000.00				
	".....500.00	3,500.00		3,200.00	
		94,100.00		69,881.59	
	Department of Lands and Forests				
Mar. 29, 1950	Main Office:				
	Compensation for Injured Workmen.....	15,000.00		12,591.43	
Mar. 29, 1950	Field Services:				
	Forest Research Branch:				
	Travelling Expenses.....	4,000.00		3,477.11	
Mar. 29, 1950	Basic Organization—District Offices (including Provincial Parks, etc.):				
	Maintenance and Operating.....	275,000.00		243,845.82	
Dec. 22, 1949	Extra Fire Fighting:				
	Maintenance and Operating.....	100,000.00		64,904.72	
		394,000.00		324,819.08	
	Department of Municipal Affairs				
April 20, 1950	Main Office:				
	To provide for payment of a Subsidy to certain Municipalities.....	100,000.00		56,973.71	
	Department of Planning and Development				
Dec. 22, 1949	Main Office:				
	Travelling Expenses.....	4,500.00		3,642.02	
Dec. 22, 1949	Community Planning Branch:				
	Maintenance.....	1,400.00		1,374.15	
Mar. 29, 1950	Trade and Industry Branch:				
	Maintenance.....	1,000.00		990.10	
		6,900.00		6,006.27	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Provincial Secretary		
	Companies Branch:		
Sept. 8, 1949	Salaries.....	10,380.00	2,574.39
Sept. 8, 1949	Travelling Expenses.....	2,500.00	1,517.89
Sept. 8, 1949	Maintenance.....	6,250.00	2,796.36
Sept. 8, 1949	Cost of Living Bonus.....	18,240.00	14,002.53
	Civil Service Commission:		
Nov. 30, 1949	Maintenance.....	2,500.00	2,326.12
	Office of the Speaker:		
	Travelling Expenses:		
Nov. 30, 1949	Order.....\$ 700.00		
Mar. 29, 1950	".....450.00	1,150.00	391.07
	Clerk of the Legislative Assembly:		
Nov. 30, 1949	Maintenance.....	1,000.00	547.02
	Sessional Requirements:		
Nov. 30, 1949	Clerks of Committees, etc., Sessional Writers, etc.	5,000.00	4,986.17
Mar. 29, 1950	Hansard.....	25,000.00	15,363.49
	Committee Fees, etc.:		
Sept. 8, 1949	Order.....\$15,000.00		
Nov. 30, 1949	".....5,000.00		
Feb. 2, 1950	".....10,000.00	30,000.00	26,783.15
Nov. 30, 1949	Legislative Committee for Art Purposes.....	6,000.00	3,289.64
	Miscellaneous Requirements:		
Nov. 30, 1949	Government Hospitality Fund.....	5,000.00	1,964.78
		113,020.00	76,542.61
	Department of Provincial Treasurer		
	Main Office:		
Mar. 29, 1950	Salaries.....	1,000.00	907.41
Feb. 24, 1950	Maintenance.....	17,000.00	16,769.48
Feb. 24, 1950	Premium on Fidelity Bonds.....	3,000.00	2,000.28
Feb. 24, 1950	Unemployment Insurance Stamps.....	300.00	299.91
	Bureau of Statistics and Research:		
Feb. 24, 1950	Salaries.....	1,000.00	582.54
	Motion Picture Censorship and Theatre Inspection:		
Feb. 24, 1950	Travelling Expenses.....	2,000.00	1,636.68
	Controller of Revenue:		
Mar. 29, 1950	Maintenance.....	2,500.00	2,206.09
		26,800.00	24,402.39
	Department of Public Welfare		
	Main Office:		
Feb. 24, 1950	Travelling Expenses.....	1,000.00	347.84
Nov. 30, 1949	Rehabilitation of Indigents.....	1,500.00	1,186.36
Feb. 2, 1950	Cost of Living Bonus.....	11,500.00	10,684.97
Nov. 30, 1949	Grants, Memorial Wreaths.....	250.00	177.40
	Children's Aid Branch:		
Dec. 22, 1949	Maintenance.....	850.00	848.06

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Public Welfare—Continued				
	Mothers' Allowances Commission:				
Feb. 2, 1950	Allowances.....	420,445.00		387,461.08	
Feb. 2, 1950	Medical Services.....	51,000.00		31,438.49	
	Old Age Pensions Commission:				
Feb. 24, 1950	Salaries.....	27,000.00		24,565.43	
	Maintenance:				
Feb. 2, 1950	Order.....	\$11,800.00			
Feb. 24, 1950	".....	6,000.00		17,755.17	
Feb. 2, 1950	Pensions—Old Age and Blind.....	2,086,096.00		1,821,973.94	
	Homes for the Aged Branch:				
Dec. 22, 1949	Salaries.....	3,100.00		2,400.86	
Feb. 2, 1950	Maintenance.....	700.00		256.60	
April 20, 1950	Payments on Maintenance.....	70,000.00		66,825.41	
		2,691,241.00		2,365,921.61	
	Department of Public Works				
	Main Office:				
Mar. 29, 1950	Salaries.....	5,000.00		3,219.60	
Feb. 24, 1950	Maintenance.....	10,000.00		7,483.73	
Feb. 24, 1950	Compensation for Injured Workmen.....	2,500.00		1,480.74	
Dec. 22, 1949	Unemployment Insurance Stamps.....	10,000.00		5,306.95	
	Public Buildings—Maintenance and Repairs:				
	Legislative and Departmental Buildings:				
Feb. 24, 1950	Administrative Services, Telephone Service..	10,000.00		1,472.31	
Feb. 24, 1950	Maintenance Staff, Salaries.....	20,000.00		15,202.46	
Feb. 24, 1950	Maintenance.....	35,000.00		31,956.48	
Feb. 24, 1950	Repairs to Buildings.....	100,000.00		56,995.79	
	Ontario Government Branch Office Buildings:				
	General: Rental and Caretaking of Leased Premises and Expenses in Connection therewith:				
Dec. 22, 1949	Order.....	\$80,000.00			
Feb. 24, 1950	".....	75,000.00		154,803.82	
	Dams, Docks, etc., and Drainage Works:				
Dec. 22, 1949	Maintenance of Locks, Bridges, Dams and Docks, etc.....	20,000.00		12,483.06	
		367,500.00		290,404.94	
	Department of Reform Institutions				
	Ontario Reformatories:				
	Guelph:				
Mar. 29, 1950	General Maintenance.....	20,000.00		11,623.26	
Nov. 30, 1949	Industries.....	425,000.00		378,066.89	
	Mimico:				
Feb. 2, 1950	Industries.....	35,000.00		18,882.71	
	Mercer—Toronto:				
Feb. 2, 1950	Industries.....	45,000.00		28,357.60	
	Industrial Farms:				
	Burwash:				
Dec. 22, 1949	Repairs to Buildings, etc.....	20,000.00		14,631.38	
Nov. 30, 1949	Industries.....	25,000.00		24,997.91	
		570,000.00		476,559.75	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Travel and Publicity		
Feb. 24, 1950	Publicity Branch: Preparation and Printing of Travel Publications, etc.....	18,000.00	17,809.35
Nov. 30, 1949	Information Branch: Establishment and Operation of Official Reception Centres, including Purchase and Rental of Equipment, etc.....	4,000.00	3,612.12
		22,000.00	21,421.47
	Total Ordinary Treasury Board Orders...	7,460,336.00	6,608,329.60
	CAPITAL		
	Department of Public Welfare		
Feb. 2, 1950	Old Age Pensions Commission: Pensions—Old Age and Blind.....	6,260,000.00	5,875,734.85
	Total Capital Treasury Board Orders....	6,260,000.00	5,875,734.85
	Total Treasury Board Orders.....	13,720,336.00	12,484,064.45

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR
ENDED MARCH 31, 1950

DATE OF WARRANT	SERVICE	AUTHORIZED		EXPENDED		UN- EXPENDED	
		\$	c.	\$	c.	\$	c.
	ORDINARY						
	Department of Attorney-General						
July 21, 1949	Compassionate Allowance to the Widow and Children of the late Judge B. J. McKittrick, Judge of the Juvenile and Family Court, District of Thunder Bay.....	1,100.00		1,027.67		72.33	
	Expenses incurred in connection with the "Noronic" Disaster:						
Feb. 2, 1950	Warrant.....\$15,000.00	25,000.00		19,255.08		5,744.92	
Feb. 14, 1950	".....10,000.00						
		26,100.00		20,282.75		5,817.25	
	Department of Health						
July 8, 1949	Alcoholism Research Foundation, grant:						
	Warrant.....\$ 5,000.00						
Oct. 20, 1949	".....7,500.00						
Oct. 20, 1949	".....50,000.00						
Jan. 13, 1950	".....10,000.00						
Feb. 14, 1950	".....37,500.00	110,000.00		95,000.00		15,000.00	
Dec. 22, 1949	Grant to the Sudbury Poliomyelitis Clinic to assist with the expense incurred in connection with the treatment of Poliomyelitis cases during the recent epidemic.....	5,000.00		5,000.00			
Jan. 5, 1950	Grant to the Public Utilities Commission, Brantford, Ontario, to assist with the expense incurred in connection with the Fluoridation of the Brantford Water Supply.....	3,500.00		3,500.00			
Feb. 14, 1950	Operating Expenses including Salaries and Maintenance of the Ontario Hospital, Aurora, to March 31, 1950.....	25,000.00		13,455.03		11,544.97	
		143,500.00		116,955.03		26,544.97	
	Department of Mines						
Dec. 8, 1949	Providing Equitable Settlement of a Claim for loss of Mineral Rights, against the Crown to Mrs. Owen Robinson.....	600.00		600.00			

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED	UN- EXPENDED
		\$ c.	\$ c.	\$ c.
Feb. 2, 1950	Department of Provincial Secretary Illuminated Address and Speaker's Chair for the Province of Newfoundland	1,500.00	1,228.70	271.30
Jan. 5, 1950	Department of Public Welfare Payment of Nursing Services for the Quadruplets born on October 13, 1949, to Mr. and Mrs. C. O. Hargreaves of Sault Ste. Marie, Ontario	1,000.00	1,000.00	
	Total Special Warrants	172,700.00	140,066.48	32,633.52

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PROVINCIAL AUDITOR'S REPORT

1950-51

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO

TORONTO

Printed and Published by Baptist Johnston
Printer to the King's Most Excellent Majesty

1952



PROVINCIAL
AUDITOR'S
REPORT

1950-51

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
SESSIONAL PAPER No. 3, 1952



ONTARIO

TORONTO

Printed and Published by Baptist Johnston
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1952

TO THE HONOURABLE RAY LAWSON, O.B.E., LL.D., D.Cn.L., D.C.L.,
Lieutenant-Governor of the Province of Ontario

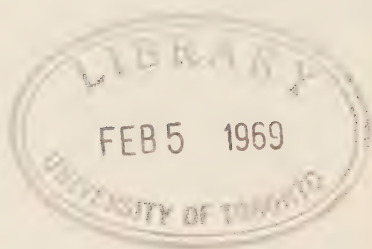
MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1951, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
November 27th, 1951.



REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1951, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1950 - 1951

I have the honour to present my report to the Legislative Assembly, on the examination and audit of the accounts of Ontario for the fiscal year ended March 31, 1951, in accordance with the requirements of The Audit Act.

The Balance Sheet of the Province of Ontario as at March 31, 1951, the Statements of Revenue and Expenditure for the year ended on that date and other related schedules, published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related schedules are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1951, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

There has been no change in the basis of accounting during the fiscal year.

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been followed, although the Balance Sheet states the financial position of the Province at March 31, 1951, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1951

The statements which follow summarize the operating results for the 1951 fiscal year. The Honourable Leslie M. Frost, K.C., LL.D., Treasurer of the Province of Ontario, in his address to the Legislative Assembly of Ontario, on March 17, 1950, presented budget forecasts of ordinary revenue, ordinary expenditure, capital receipts and capital payments for the fiscal year ended March 31, 1951, and in his budget address on March 6, 1951, presented interim statements of ordinary revenue, ordinary expenditure, capital receipts and capital payments for the same fiscal year, consisting of ten months' actual results and two months' forecast.

These budget and interim forecasts are shown in conjunction with the actual figures for purposes of comparison.

COMPARATIVE SUMMARY
BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1950, TO MARCH 31, 1951

	BUDGET	ACTUAL	ACTUAL OVER BUDGET
Net Ordinary Revenue.....	\$228,965,630.00	\$265,272,106.50	\$36,306,476.50
Less: Net Ordinary Expenditure (before providing for Sinking Funds and Maturing Railway Aid Certificates)..	<u>221,601,600.00</u>	<u>228,090,074.46</u>	<u>6,488,474.46</u>
Surplus (before providing for Sinking Funds and Maturing Railway Aid Certificates). \$	7,364,030.00	\$ 37,182,032.04	\$29,818,002.04
Less: Provision for Sinking Funds and Maturing Railway Aid Certificates...	<u>7,198,000.00</u>	<u>21,698,349.80</u>	<u>14,500,349.80</u>
Surplus.....	<u>\$ 166,030.00</u>	<u>\$ 15,483,682.24</u>	<u>\$15,317,652.24</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1950, TO MARCH 31, 1951**

	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture.....	\$ 797,000.00	\$ 845,327.62	\$ 48,327.62	\$
Attorney-General.....	1,309,380.00	1,612,800.28	303,420.28	
Education.....	1,425,000.00	1,356,794.17		68,205.83
Health.....	2,401,150.00	2,598,711.16	197,561.16	
Highways:				
Main Office.....	30,000.00	26,306.47		3,693.53
Gasoline Tax Branch.....	60,325,000.00	65,092,398.40	4,767,398.40	
Motor Vehicles Branch...	17,075,000.00	20,330,695.26	3,255,695.26	
	<u>\$ 77,430,000.00</u>	<u>\$ 85,449,400.13</u>	<u>\$ 8,023,093.66</u>	<u>\$ 3,693.53</u>
Insurance.....	\$ 269,000.00	\$ 341,427.44	\$ 72,427.44	
Labour.....	193,000.00	227,766.17	34,766.17	
Lands and Forests.....	9,552,000.00	10,962,465.72	1,410,465.72	
Mines.....	3,471,500.00	4,398,337.32	926,837.32	
Municipal Affairs.....	306,600.00	396,737.21	90,137.21	
Prime Minister.....		90,406.66	90,406.66	
Provincial Secretary.....	606,300.00	966,792.32	360,492.32	
Provincial Treasurer:				
Main Office—Subsidy.....	3,155,000.00	3,155,007.48	7.48	
Interest.....	71,000.00	71,229.86	229.86	
Miscellaneous.....		41,789.07	41,789.07	
Liquor Control Board.....	37,000,000.00	40,000,000.00	3,000,000.00	
Liquor Authority Transfer Fees.....	650,000.00	1,073,726.61	423,726.61	
Public Utilities Taxes.....		815,129.40	815,129.40	
Controller of Revenue Br.:				
Corporations Tax.....	65,000,000.00	76,254,321.90	11,254,321.90	
Succession Duty.....	14,000,000.00	17,828,053.44	3,828,053.44	
Security Transfer Tax..	800,000.00	1,644,808.45	844,808.45	
Race Tracks Tax.....	3,000,000.00	4,158,881.56	1,158,881.56	
Hospitals Tax.....	5,000,000.00	6,289,533.32	1,289,533.32	
Logging Tax.....		1,289,204.95	1,289,204.95	
Land Transfer Tax....	1,000,000.00	1,702,439.75	702,439.75	
Law Stamps.....	600,000.00	731,758.25	131,758.25	
Miscellaneous.....		53,510.88	53,510.88	
Motion Picture Censorship and Theatre Inspection Branch.....	230,000.00	274,163.05	44,163.05	
	<u>\$130,506,000.00</u>	<u>\$155,383,557.97</u>	<u>\$24,877,557.97</u>	
Public Welfare.....	\$	\$ 1,166.00	\$ 1,166.00	\$
Public Works.....	38,000.00	54,861.73	16,861.73	
Reform Institutions.....	560,700.00	583,158.62	22,458.62	
Travel and Publicity.....		2,395.98	2,395.98	
Miscellaneous.....	100,000.00			100,000.00
	<u><u>\$228,965,630.00</u></u>	<u><u>\$265,272,106.50</u></u>	<u><u>\$36,478,375.86</u></u>	<u><u>\$171,899.36</u></u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1950, TO MARCH 31, 1951**

	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 7,700,000.00	\$ 6,957,521.63	\$	\$ 742,478.37
Attorney-General.....	7,615,350.00	7,386,065.30		229,284.70
Education.....	56,072,000.00	57,712,545.70	1,640,545.70	
Health.....	32,884,750.00	33,874,070.35	989,320.35	
Highways.....	39,343,000.00	47,188,467.53	7,845,467.53	
Insurance.....	113,000.00	120,236.74	7,236.74	
Labour.....	1,059,000.00	1,002,838.53		56,161.47
Lands and Forests.....	10,215,000.00	9,840,796.17		374,203.83
Lieutenant-Governor.....	14,500.00	11,593.90		2,906.10
Mines.....	858,000.00	826,895.95		31,104.05
Municipal Affairs.....	4,761,000.00	4,587,154.71		173,845.29
Planning and Development.....	2,376,000.00	1,555,774.35		820,225.65
Prime Minister.....	96,000.00	399,142.64	303,142.64	
Provincial Auditor.....	219,000.00	200,611.24		18,388.76
Provincial Secretary.....	889,000.00	864,184.04		24,815.96
Provincial Treasurer.....	3,023,000.00	2,856,034.94		166,965.06
Public Welfare.....	24,717,000.00	23,938,372.79		778,627.21
Public Works.....	3,500,000.00	3,447,268.13		52,731.87
Reform Institutions.....	5,040,000.00	4,918,640.29		121,359.71
Travel and Publicity.....	625,000.00	613,545.83		11,454.17
Stationery Account.....		30,091.85	30,091.85	
Miscellaneous.....	100,000.00			100,000.00
	<u>\$201,220,600.00</u>	<u>\$208,331,852.61</u>	<u>\$10,815,804.81</u>	<u>\$3,704,552.20</u>
Public Debt:				
Interest, Exchange, etc..	20,381,000.00	19,758,221.85		622,778.15
Sinking Fund Instal- ments and Railway Aid Certificates.....	7,198,000.00	21,698,349.80	14,500,349.80	
	<u>\$228,799,600.00</u>	<u>\$249,788,424.26</u>	<u>\$25,316,154.61</u>	<u>\$4,327,330.35</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1950, TO MARCH 31, 1951**

	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$	\$ 25.67	\$	25.67
Education.....		300.00		300.00
Highways.....	605,000.00	825,090.11	220,090.11	
Labour.....	6,000,000.00	6,071,802.21	71,802.21	
Lands and Forests.....	4,750,000.00	5,355,037.91	605,037.91	
Mines.....	30,000.00	81,841.58	51,841.58	
Provincial Secretary.....	3,916,000.00	4,056,060.07	140,060.07	
Provincial Treasurer.....	14,867,000.00	27,738,685.91	12,871,685.91	
Public Welfare.....		90,947.42	90,947.42	
Public Works.....		25,380.70	25,380.70	
	<u>\$ 30,168,000.00</u>	<u>\$ 44,245,171.58</u>	<u>\$14,077,171.58</u>	

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL PAYMENTS
FOR THE FISCAL YEAR APRIL 1, 1950, TO MARCH 31, 1951**

	BUDGET CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 6,650,000.00	\$ 7,529,679.00	\$ 879,679.00	\$
Highways.....	46,657,000.00	36,734,888.70		9,922,111.30
Labour.....	6,000,000.00	5,560,544.60		439,455.40
Lands and Forests.....	4,900,000.00	3,326,822.18		1,573,177.82
Provincial Secretary.....	1,500,000.00	1,557,233.72	57,233.72	
Provincial Treasurer.....	2,158,000.00	517,160.20		1,640,839.80
Public Welfare.....		68,094.36	68,094.36	
Public Works.....	15,000,000.00	8,971,158.19		6,028,841.81
Miscellaneous.....	150,000.00	42,977.40		107,022.60
	<u>\$ 83,015,000.00</u>	<u>\$ 64,308,558.35</u>	<u>\$ 1,005,007.08</u>	<u>\$ 19,711,448.73</u>

COMPARATIVE SUMMARY

**NET INTERIM * AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDI-
TURE FOR THE FISCAL YEAR APRIL 1, 1950, TO MARCH 31, 1951**

	INTERIM	ACTUAL	ACTUAL OVER INTERIM
Net Ordinary Revenue.....	\$251,372,000.00	\$265,272,106.50	\$13,900,106.50
Less: Net Ordinary Expenditure (before providing for Sinking Funds and Maturing Railway Aid Certificates)	228,398,000.00	228,090,074.46	307,925.54
Surplus (before providing for Sinking Funds and Maturing Railway Aid Certi- ficates).....	\$ 22,974,000.00	\$ 37,182,032.04	\$14,208,032.04
Less: Provision for Sinking Funds and Maturing Railway Aid Certificates.	21,698,000.00	21,698,349.80	349.80
Surplus.....	<u>\$ 1,276,000.00</u>	<u>\$ 15,483,682.24</u>	<u>\$14,207,682.24</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1950, TO MARCH 31, 1951**

	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 820,000.00	\$ 845,327.62	\$ 25,327.62	\$
Attorney-General.....	1,347,000.00	1,612,800.28	265,800.28	
Education.....	1,315,000.00	1,356,794.17	41,794.17	
Health.....	2,971,000.00	2,598,711.16		372,288.84
Highways:				
Main Office.....	30,000.00	26,306.47		3,693.53
Gasoline Tax Branch.....	64,500,000.00	65,092,398.40	592,398.40	
Motor Vehicles Branch...	18,000,000.00	20,330,695.26	2,330,695.26	
	<u>\$ 82,530,000.00</u>	<u>\$ 85,449,400.13</u>	<u>\$ 2,923,093.66</u>	<u>\$ 3,693.53</u>
Insurance.....	\$ 318,000.00	\$ 341,427.44	\$ 23,427.44	\$
Labour.....	210,000.00	227,766.17	17,766.17	
Lands and Forests.....	10,475,000.00	10,962,465.72	487,465.72	
Mines.....	3,795,000.00	4,398,337.32	603,337.32	
Municipal Affairs.....	384,000.00	396,737.21	12,737.21	
Prime Minister.....	73,000.00	90,406.66	17,406.66	
Provincial Secretary.....	982,000.00	966,792.32		15,207.68
Provincial Treasurer:				
Main Office: Subsidy.....	3,155,000.00	3,155,007.48	7.48	
Interest.....	71,000.00	71,229.86	229.86	
Miscellaneous.....	42,000.00	41,789.07		210.93
Liquor Control Board....	39,000,000.00	40,000,000.00	1,000,000.00	
Liquor Authority Transfer				
Fees.....	650,000.00	1,073,726.61	423,726.61	
Public Utilities Taxes....	365,000.00	815,129.40	450,129.40	
Controller of Revenue				
Branch:				
Corporations Tax.....	71,500,000.00	76,254,321.90	4,754,321.90	
Succession Duty.....	15,500,000.00	17,828,053.44	2,328,053.44	
Security Transfer Tax	1,500,000.00	1,644,808.45	144,808.45	
Race Tracks Tax.....	4,159,000.00	4,158,881.56		118.44
Hospitals Tax.....	6,400,000.00	6,289,533.32		110,466.68
Logging Tax.....	500,000.00	1,289,204.95	789,204.95	
Land Transfer Tax....	1,700,000.00	1,702,439.75	2,439.75	
Law Stamps.....	640,000.00	731,758.25	91,758.25	
Miscellaneous.....	40,000.00	53,510.88	13,510.88	
Motion Picture Censor-				
ship and Theatre In-				
spection Branch.....	280,000.00	274,163.05		5,836.95
	<u>\$145,502,000.00</u>	<u>\$155,383,557.97</u>	<u>\$ 9,998,190.97</u>	<u>\$ 116,633.00</u>
Public Welfare.....	\$	\$ 1,166.00	\$ 1,166.00	\$
Public Works.....	44,000.00	54,861.73	10,861.73	
Reform Institutions.....	606,000.00	583,158.62		22,841.38
Travel and Publicity.....		2,395.98	2,395.98	
	<u>\$251,372,000.00</u>	<u>\$265,272,106.50</u>	<u>\$14,430,770.93</u>	<u>\$ 530,664.43</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1950, TO MARCH 31, 1951**

	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 6,993,000.00	\$ 6,957,521.63	\$	\$ 35,478.37
Attorney-General.....	7,596,000.00	7,386,065.30		209,934.70
Education.....	56,915,000.00	57,712,545.70	797,545.70	
Health.....	34,447,000.00	33,874,070.35		572,929.65
Highways.....	45,923,000.00	47,188,467.53	1,265,467.53	
Insurance.....	122,000.00	120,236.74		1,763.26
Labour.....	1,044,000.00	1,002,838.53		41,161.47
Lands and Forests.....	9,845,000.00	9,840,796.17		4,203.83
Lieutenant-Governor.....	12,000.00	11,593.90		406.10
Mines.....	855,000.00	826,895.95		28,104.05
Municipal Affairs.....	4,702,000.00	4,587,154.71		114,845.29
Planning and Development..	2,212,000.00	1,555,774.35		656,225.65
Prime Minister.....	395,000.00	399,142.64	4,142.64	
Provincial Auditor.....	209,000.00	200,611.24		8,388.76
Provincial Secretary.....	868,000.00	864,184.04		3,815.96
Provincial Treasurer.....	2,893,000.00	2,856,034.94		36,965.06
Public Welfare.....	24,263,000.00	23,938,372.79		324,627.21
Public Works.....	3,607,000.00	3,447,268.13		159,731.87
Reform Institutions.....	5,070,000.00	4,918,640.29		151,359.71
Travel and Publicity.....	610,000.00	613,545.83	3,545.83	
Stationery Account.....	20,000.00	30,091.85	10,091.85	
	<u>\$208,601,000.00</u>	<u>\$208,331,852.61</u>	<u>\$2,080,793.55</u>	<u>\$2,349,940.94</u>
Public Debt:				
Interest, Exchange, etc...	19,797,000.00	19,758,221.85		38,778.15
Sinking Fund Instalments and Railway Aid Certi- ficates.....	21,698,000.00	21,698,349.80	349.80	
	<u>\$250,096,000.00</u>	<u>\$249,788,424.26</u>	<u>\$2,081,143.35</u>	<u>\$2,388,719.09</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1950, TO MARCH 31, 1951**

	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$	\$ 25.67	\$ 25.67	
Education.....		300.00	300.00	
Highways.....	655,000.00	825,090.11	170,090.11	
Labour.....	5,700,000.00	6,071,802.21	371,802.21	
Lands and Forests.....	4,703,000.00	5,355,037.91	652,037.91	
Mines.....	80,000.00	81,841.58	1,841.58	
Provincial Secretary.....	3,916,000.00	4,056,060.07	140,060.07	
Provincial Treasurer.....	27,700,000.00	27,738,685.91	38,685.91	
Public Welfare.....		90,947.42	90,947.42	
Public Works.....	25,000.00	25,380.70	380.70	
	<u>\$ 42,779,000.00</u>	<u>\$ 44,245,171.58</u>	<u>\$1,466,171.58</u>	

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
PAYMENTS FOR THE FISCAL YEAR APRIL 1, 1950, TO MARCH 31, 1951**

	NET INTERIM CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 6,650,000.00	\$ 7,529,679.00	\$ 879,679.00	\$
Highways.....	41,050,000.00	36,734,888.70		4,315,111.30
Labour.....	5,575,000.00	5,560,544.60		14,455.40
Lands and Forests.....	3,350,000.00	3,326,822.18		23,177.82
Provincial Secretary.....	1,500,000.00	1,557,233.72	57,233.72	
Provincial Treasurer.....	489,000.00	517,160.20	28,160.20	
Public Welfare.....		68,094.36	68,094.36	
Public Works.....	9,500,000.00	8,971,158.19		528,841.81
Miscellaneous.....	26,000.00	42,977.40	16,977.40	
	<u>\$ 68,140,000.00</u>	<u>\$ 64,308,558.35</u>	<u>\$1,050,144.68</u>	<u>\$4,881,586.33</u>

*10 months' actual—2 months' forecast.

An analysis of the principal items of net ordinary revenue and expenditure for the fiscal year ended March 31, 1951, together with the percentage of the principal items to the total, is presented in the statement which follows.

**PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1951**

NET ORDINARY REVENUE

		%
Corporations Tax.....	\$ 76,254,321.90	28.75
Gasoline Tax.....	65,040,229.66	24.52
Liquor Profits, Fines, Transfer Fees, etc.....	41,073,726.61	15.48
Motor Vehicle Licenses and Fees, etc.....	20,330,695.26	7.66
Succession Duties.....	17,828,053.44	6.72
Timber Dues, Bonus, etc.....	6,461,103.24	2.43
Hospitals Tax.....	6,289,533.32	2.37
Race Track Betting Tax.....	4,158,881.56	1.57
Mines Profit Tax.....	3,824,796.31	1.44
Government of Canada—Annual Subsidies.....	3,155,007.48	1.19
Fish and Wildlife Licenses, Royalties, etc.....	3,065,751.53	1.16
All other revenues.....	17,790,006.19	6.71
	<u>\$265,272,106.50</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE

		%
Education.....	\$ 57,712,545.70	23.10
Highway Maintenance, Grants, etc.....	47,188,467.53	18.89
Public Debt:		
Interest, etc.....	\$19,758,571.65	
Sinking Fund Instalments.....	21,698,000.00	16.60
Health Services.....	33,874,070.35	13.56
Public Welfare.....	23,938,372.79	9.58
Conservation of Forests, Fish and Wildlife.....	9,840,796.17	3.94
Law Enforcement.....	7,386,065.30	2.96
Agricultural Services, Grants, etc.....	6,957,521.63	2.79
Subsidy paid re Police and Fire Departments.....	3,257,938.38	1.30
All other expenditures.....	18,176,074.76	7.28
	<u>\$249,788,424.26</u>	<u>100.00</u>

Estimated gross expenditure for the year as shown on page 5 of the 1951 estimates was \$353,424,750.00. The actual gross expenditure was \$354,433,537.39, a net increase of \$1,008,787.39. The following analysis summarizes the net increase in actual over estimated gross expenditure.

ANALYSIS OF GROSS EXPENDITURE

CLASSIFICATION	ESTIMATED	GROSS ACTUAL	GROSS ACTUAL UNDER ESTIMATED	GROSS ACTUAL OVER ESTIMATED
Ordinary:				
Voted.....	\$154,902,955.00	\$153,116,973.79	\$ 1,785,981.21	\$
Statutory.....	83,191,795.00	105,133,016.57		21,941,221.57
Special Warrants.....		781,215.63		781,215.63
	<u>\$238,094,750.00</u>	<u>\$259,031,205.99</u>	<u>\$ 1,785,981.21</u>	<u>\$22,722,437.20</u>
Capital:				
Voted.....	\$ 60,416,000.00	\$ 49,291,369.78	\$11,124,630.22	
Statutory.....	54,914,000.00	46,110,961.62	8,803,038.38	
	<u>\$115,330,000.00</u>	<u>\$ 95,402,331.40</u>	<u>\$19,927,668.60</u>	
Total Expenditure.....	<u>\$353,424,750.00</u>	<u>\$354,433,537.39</u>	<u>\$21,713,649.81</u>	<u>\$22,722,437.20</u>

Summary of Net Decreases or Increases in Actual as compared with Estimated Gross Expenditure

CLASSIFICATION	DECREASE	INCREASE
Voted.....	\$12,910,611.43	
Statutory.....		\$13,138,183.19
Special Warrants.....		781,215.63
	<u>\$12,910,611.43</u>	<u>\$13,919,398.82</u>

The net decreases or increases in actual as compared with estimated gross expenditure under the classifications of voted, statutory and special warrants are commented on as follows:

VOTED

The Legislative Assembly authorized expenditure appropriations for the fiscal year under review in the amount of \$215,318,955.00, comprised of \$154,902,955.00 ordinary account and \$60,416,000.00 capital account. Actual gross expenditures charged to appropriations amounted to \$202,408,343.57 comprised of \$153,116,973.79 ordinary account and \$49,291,369.78 capital account. Thus the total actual gross expenditure charged to appropriations authorized was \$12,910,611.43 less than the total amount authorized. It is pointed out, however, that while the total actual gross expenditure was \$12,910,611.43 less than the total appropriations authorized, many appropriations authorized were exceeded and treasury board orders were issued by the Treasury Board for the required authority. In all cases where the actual expenditure exceeded the original appropriation the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$4,983,820.00 for ordinary account. There were no treasury board orders for capital account. The actual

expenditure made under authority of treasury board orders and charged to ordinary account amounted to \$4,471,209.96. This expenditure forms part of the total gross expenditure of \$202,408,343.57 referred to above and is not in addition thereto.

Full details of treasury board orders authorized and the amounts expended as a consequence thereof will be found on pages 28-35 of this report.

STATUTORY

The Estimates presented for 1950-51 forecast \$138,105,795.00 gross expenditure under statutory authority. This sum was divided \$83,191,795.00 to ordinary expenditure and \$54,914,000.00 to capital purposes. The actual total gross statutory outlay amounted to \$151,243,978.19 which was \$13,138,183.19 in excess of the estimate of \$138,105,795.00. This is the result of actual gross ordinary statutory expenditure exceeding the estimate by \$21,941,221.57 and actual gross capital statutory payments being \$8,803,038.38 less than the estimate. The excess of \$21,941,221.57 in gross ordinary statutory expenditure over the estimate is accounted for by a \$15,000,000.00 Sinking Fund instalment made in respect of debenture issue "BQ" of which \$14,500,000.00 had not been estimated, an increase of \$8,288,272.85 in Highways gross ordinary statutory expenditure, less a net decrease of \$847,051.28 in all other items of gross ordinary statutory expenditure.

The total gross outlay on capital statutory account was less than the related estimates by \$8,803,038.38. This difference arises as follows:

PAYMENTS UNDER THE ESTIMATE:	
Highways.....	\$9,922,111.30
PAYMENTS OVER THE ESTIMATE:	
Miscellaneous.....	1,119,072.92
	<u>\$8,803,038.38</u>

SPECIAL WARRANTS

During the year expenditure in the amount of \$781,215.63 was made through special warrants under authority of subsection 3 of section 13 of The Audit Act. The main items were for Grants to Hospitals in the amount of \$188,750.00, expenses of the Ontario Racing Commission of \$120,735.61, aid to the Government of the Province of Manitoba during the flood period of \$194,899.77 and payment of 50% of Welfare Unit Administrative Costs of the cities of Toronto, Hamilton and Windsor for the year 1949 amounting to \$259,800.00.

Full details of special warrants authorized and the amounts expended as a consequence thereof will be found on pages 36-37 of this report.

GENERAL

I refer hereunder to certain matters relating to the operations of the year 1951.

During the year net capital expenditures on King's Highways, Development Roads and Municipal Roads Subsidies amounted to \$35,936,128.51, which is an increase of \$3,666,398.79 over 1950.

Capital payments were made to the Hydro-Electric Power Commission of Ontario in the amount of \$7,296,679.00 to assist in rural electrification projects. This was a decrease of \$3,325,450.00 under 1950.

Public Works and Buildings were added to during the year by the capital expenditure of \$8,305,790.11, and General Works and Improvements by the capital expenditure of \$665,368.08.

Sinking Fund Instalments of \$21,698,000.00 were provided through Ordinary Account.

Contributions by the Province to the Teachers' Superannuation Fund and the Ontario Public Service Superannuation Fund amounted to \$2,602,455.78 and \$1,349,500.05 respectively. These contributions are in accordance with the requirements of the respective enactments relative thereto but, in my opinion, and as stated in my report of November 20, 1950, the receipts of the Teachers' Superannuation Fund and the receipts of the Ontario Public Service Superannuation Fund composed of contributions from employees, together with equivalent contributions from the Government, Boards, Commissions and Municipalities and interest earned, are insufficient to meet the actuarial requirements of the Funds.

It is again pointed out that the Province should adopt the principle of providing in full for future superannuation benefits in the year in which the service which gives rise to the right thereto is rendered.

AUDIT OF REVENUE

I have to report that, as a result of examinations of the revenues of various departments, I am of the opinion that the revenues of the Province are being fully accounted for.

A continuous audit is maintained of the revenues of the Province.

The systems of internal control and the accounting procedures in operation in the various departments have been reviewed to the extent deemed adequate to establish their effectiveness.

Pursuant to section 2 of The Public Service Act, one of the duties of the Civil Service Commission is to determine the value of perquisites granted to civil servants. In recent years the cost to the Province of providing such perquisites as rooms and meals has been greatly increased and may continue to increase. It is recommended, therefore, that a complete review be made of the value of perquisites received by employees in the service. When a review is made it should be kept in mind that substantial increases have been made in salaries and in cost of living bonus while no commensurate increase has been made in charges for perquisites.

A considerable proportion of the revenue of the Province is derived from various fees for services and from licenses, apart from Motor Vehicle Licenses. In most cases no recent increases have been made in the amounts charged. It is recommended that a review should be made of the fees charged in all Departments for the purpose of making sure that the fees currently charged are providing a fair return for the services rendered and privileges granted at a time when the costs of government have so greatly increased.

AUDIT OF EXPENDITURE

In accordance with the requirements of The Audit Act, an audit has been maintained of the expenditures of the Province made during the fiscal year ended March 31st, 1951.

Pursuant to the provisions of section 11 of The Audit Act vouchers may be admitted as satisfactory under certain conditions. Audit of expenditure vouchers, in some instances, has been performed by tests. The nature and extent of the tests are determined in the light of experience and vary within wide limits for different accounts according to audit manpower and the efficiency of the accounting and internal control organization of the department concerned. Constant inquiry is made into the system of financial control and accounting as to its soundness and as to the comprehensiveness of the whole system. Representative transactions are traced through all stages from inception to conclusion.

In my report last year I drew attention to the wisdom of economy in controlling expenditures. I regard it as a matter of real importance and great seriousness and again urge that under no circumstances must the pursuit of economy be relaxed. In this connection I also urge the promotion of cost consciousness in the Departments which will result in greater efficiency and economy. I believe there must be developed throughout the service the attitude of mind which counts the cost and assesses the conditions which justify the spending of money and the amount to be expended.

It is recommended that a review be made of the statutes and various other authorities relating to fiscal accounts—those dealing with revenues, custody of funds, disbursements and public debt. This will assist in focusing attention on financial administration. Such a review involving the machinery and methods or processes by which funds for the support of public services are raised, spent, and accounted for will tend to improve and keep up-to-date the budgetary, accounting and auditing control over the financial operations of the Province.

BALANCE SHEET

The Balance Sheet does not include as an asset the value of Crown timber, mineral wealth of Crown lands, Crown lands, water powers, fish, game and fur.

The Balance Sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

I report hereunder on certain of the Assets and Liabilities as shown on the Balance Sheet at March 31, 1951.

ASSETS

CASH ON HAND AND IN BANKS—\$27,677,444.60

Cash in Chartered Banks.....	\$26,482,224.40
Savings Office—Cash on hand and in banks.....	1,195,220.20
	<u>\$27,677,444.60</u>

The cash on deposit in chartered banks for the account of the Treasury and various Savings Office branches was verified by reconciliation with letters of confirmation received directly from the depositaries.

Cash on hand in the various branches of the Province of Ontario Savings Office was verified by reconciliation with letters of confirmation received directly from the responsible branch managers. The branches of the Savings Office were examined by Head Office inspectors at various unannounced times during the year.

CONSOLIDATED REVENUE FUND—INVESTMENTS—\$10,000,000.00

This amount represents surplus consolidated revenue funds which have been invested in a special debenture issued by the Hydro-Electric Power Commission of Ontario bearing interest at 2% per annum and maturing ten days after notice by either issuer or holder.

LOANS AND ADVANCES

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—\$67,424,022.13

During the fiscal year ended March 31, 1951, the Commission repaid \$2,784,701.84 to the Province of Ontario on account of advances made under The Power Commission Act. Under this Act, advances for the construction of fixed assets were made to the Hydro-Electric Power Commission of Ontario for the Southern Ontario and Thunder Bay Systems and Northern Ontario Properties, which is held and operated by the Hydro-Electric Power Commission in trust for the Province of Ontario. Of the amounts originally advanced \$67,424,022.13 remains unpaid as at March 31, 1951. Of this amount \$62,847,633.92 relates to the Southern Ontario and Thunder Bay Systems, and \$4,576,388.21 relates to Northern Ontario Properties. The money originally advanced by the Province represented a portion of the proceeds of certain Provincial debenture issues. As the debentures mature the Province is repaid the portion originally advanced.

A schedule is here presented which shows the details of future repayments:

YEAR ENDED	SOUTHERN ONTARIO AND THUNDER BAY SYSTEMS	NORTHERN ONTARIO PROPERTIES	TOTAL
March 31, 1952.....	\$ 1,653,624.29	\$ 78,875.59	\$ 1,732,499.88
" 1953.....	10,403,032.05	86,901.03	10,489,933.08
" 1954.....	1,727,137.39	85,381.76	1,812,519.15
" 1955.....	1,766,862.08	88,885.07	1,855,747.15
" 1956.....	1,807,421.65	92,482.02	1,899,903.67
" 1957.....	1,660,581.87	95,321.58	1,755,903.45
" 1958.....	1,469,190.90	98,534.70	1,567,725.60
" 1959.....	1,140,964.72	101,500.69	1,242,465.41
" 1960.....	13,450,033.33	1,303,668.46	14,753,701.79
" 1961.....	14,246,761.90	1,197,220.13	15,443,982.03
" 1962.....	1,292,370.83	114,883.42	1,407,254.25
" 1963.....	1,346,539.21	119,669.55	1,466,208.76
" 1964.....	1,404,005.84	124,706.19	1,528,712.03
" 1965.....	1,463,028.94	129,905.34	1,592,934.28
" 1966.....	1,524,311.52	135,358.51	1,659,670.03
" 1967.....	1,588,482.44	141,021.15	1,729,503.59
" 1968.....	1,285,208.03	129,580.99	1,414,789.02
" 1969.....	1,339,498.70	134,980.37	1,474,479.07
" 1970.....	952,284.97	120,574.26	1,072,859.23
" 1971.....	993,666.86	125,691.52	1,119,358.38
" 1972.....	332,626.40	71,245.88	403,872.28
	<u>\$62,847,633.92</u>	<u>\$4,576,388.21</u>	<u>\$67,424,022.13</u>

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,934.92

This amount represents advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$14,929,888.69

The assets of the Housing Corporation Limited have decreased by \$246,256.19. This is due to repayment of mortgage loans principal outstanding and the application of the related funds to the reduction of the outstanding bank loans of the Corporation.

As of March 31, 1951, some 14,000 mortgage loans are in course of repayment.

Under The Housing Development Act, the Province guaranteed the indebtedness of the Housing Corporation Limited, which is a corporation created by the Province for the purpose of rendering assistance to persons requiring housing. Money was loaned to individuals on the security of second mortgages. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

The assets and liabilities of the Housing Corporation Limited have been included with the other accounts on the Balance Sheet of the Province. The balance sheet of the Housing Corporation Limited is also shown separately in the Public Accounts.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION— INVESTMENTS—\$928,265.37

Under The Ontario Municipal Improvement Corporation Act, the Province guaranteed the indebtedness of the Ontario Municipal Improvement Corporation, which is a corporation created by the Province for the purpose of purchasing from municipalities in Ontario debentures issued by them for certain municipal works and undertakings. Debentures of Ontario Municipalities have been purchased by the Corporation and are held as an investment in the amount of \$914,050.00 which together with accrued interest receivable amounting to \$14,215.37 make up the Province's investment of \$928,265.37.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT— INVESTMENTS, \$7,876,265.24

Agricultural Development Board—Debentures.....	\$ 7,750,000.00
The Farm Loans Act—Farm Loans Associations.....	39,112.23
Capital Stock in Associations.....	2,145.00
Municipal Debentures—Village of West Lorne.....	85,008.01
	<u>\$ 7,876,265.24</u>

During the year the principal sum of \$1,881,887.19 was received on account of investments under the above Act.

Maturity dates of the Agricultural Development Board Debentures were originally related to the maturity dates of the loans issued. The maturity dates of many of these loans have been altered by re-amortization and re-issue to dates beyond the terms of the related debentures. Consequently, unless the maturity dates of the debentures are amended by order-in-council, the Commissioner of Agricultural Loans will experience difficulty in meeting all the debentures of the Agricultural Development Board as they fall due.

MUNICIPALITIES, ETC.—\$5,797,859.32

Co-operative Marketing Loans.....	\$ 1,013,341.00
Drainage Debentures.....	1,099,617.14
Sandwich, Windsor and Amherstburg Railway Bonds.....	1,350,000.00
City of Windsor Municipal Debentures.....	2,255,521.82
Miscellaneous.....	79,379.36
	<u>\$ 5,797,859.32</u>

Net increases during the year were made in Co-operative Marketing Loans in the amount of \$118,596.00 and in Drainage Debentures amounting to \$22,554.85. The Sandwich, Windsor and Amherstburg Railway met a maturity of \$50,000.00 during the year and in addition made a prepayment of \$50,000.00 to redeem a bond due June 30, 1978. The City of Windsor paid off \$58,560.02 of its debentures at the due dates throughout the year.

GOVERNMENT OF CANADA—\$4,272,886.72

DEBT ACCOUNT—\$2,848,289.52

There has been no change in this account during the year.

COMMON SCHOOL FUND—\$1,424,597.20

There has been no change in this account during the year.

BUILDINGS, ROADS, ETC.—\$686,270,050.36

Roads and Highways.....	\$506,261,327.13
Public Buildings, Public Works, etc.....	175,544,763.41
Niagara Parks Commission.....	2,136,753.18
Mississagi Salvage.....	2,327,206.64
	<u>\$686,270,050.36</u>

The book value of Roads and Highways \$506,261,327.13, Public Buildings, Public Works, etc., \$175,544,763.41, represent accumulated capital expenditure to date, and the amounts are stated at cost. No depreciation has been accrued on these assets. Net increases during the year were as follows: Roads and Highways, \$35,936,128.51, Public Buildings, Public Works, etc., \$15,970,090.47, of which \$7,296,679.00 relates to Rural Power Bonus and the remaining \$8,673,411.47 to Public Buildings and Public Works, etc.

The problem of retirement of physical property when its useful life is over as it relates to highways should be studied and consideration should be given to reducing the asset value of highways by a charge to surplus account. In this connection it is pointed out that important constituent parts of a highway such as land, grading, and drainage structures suffer little or no depreciation with the lapse of time and may be perpetuated by maintenance. The factor of obsolescence, however, must be considered.

The surplus account of the Niagara Parks Commission as at the close of its fiscal year, October 31, 1950, showed a balance of \$2,136,753.18, which is included in the accounts of the Province by authority of subsection 2, of section 14, of The Niagara Parks Act. This amount has been brought on the Balance Sheet through an adjustment to Surplus Account.

In 1950-51 sale of lumber from salvaged timber exceeded the outlay on salvaging fire-damaged timber by \$1,836,171.41. The investment of the Province in the Mississagi Salvage project has been reduced from \$4,163,378.05 as at March 31, 1950, to \$2,327,206.64 as at March 31, 1951.

OTHER LOANS AND ADVANCES—\$934,428.09

Co-operative Marketing Loans.....	\$130,000.00
Guaranteed Debentures and Interest Coupons redeemed by Province.....	419,509.29
Home Bank (in Liquidation)—Balance.....	213,000.00
Municipal Drainage Debentures.....	2,760.26
Promissory Notes Paid—Ottawa Separate Schools Commission.....	53,902.23
Settlers' Loans.....	112,434.72
Mothers' Allowances—Municipalities.....	1,530.00
Rural Power Districts—Domestic Loans.....	1,291.59
	<u>\$934,428.09</u>

This represents a segregation of Loans and Advances which are in arrears or in default.

During the year the sum of \$10,000.00 was received from the liquidators of the Home Bank.

Outstanding Settlers' Loans have been reduced by \$13,026.36.

These assets are carried at book value as the ultimate realizable value cannot be determined at this date.

DISCOUNT ON DEBENTURES—\$5,495,043.42

Discounts and premiums on Provincial debenture issues are amortized in each case over the term of the related issue. The unamortized balances comprising the above total are shown in detail in the Public Accounts of Ontario for 1950-51 on page 47.

ACCOUNTS RECEIVABLE—\$10,300,267.96

This is the net total of the accounts receivable of all Departments of the Provincial Government after the deduction of reserves for uncollectible accounts

and includes \$6,535,333.30 representing the surplus of the Liquor Control Board of Ontario less a provision for revenue stabilization.

The accounts receivable were submitted by Departmental Accountants. The reserves provided are considered adequate. This asset has been brought on the Balance Sheet by an adjustment through Surplus Account.

INTEREST RECEIVABLE (DUE AND ACCRUED)—\$1,271,211.61

There is owing to the Provincial Treasurer of Ontario \$3,471,211.61 for interest due and accrued on the debentures of the Agricultural Development Board. A reserve of \$2,200,000.00 is provided against the \$3,471,211.61 since a deficit of some \$2,000,000.00 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectible. At the present time this reserve is considered to be adequate. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS—\$4,268,233.02

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued, as in previous years, on a basis not exceeding cost. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$582,717,500.00

Stocks and Debentures.....	\$672,667,500.00
Less—Sinking Funds.....	90,850,000.00
	<u>\$581,817,500.00</u>
Sandwich, Windsor and Amherstburg Railway Company Bonds, due July 1, 1961—principal assumed.....	900,000.00
	<u>\$582,717,500.00</u>

The details of Stocks and Debentures outstanding at March 31, 1951, are shown in the Public Accounts for 1950-51 on page 49.

The Sinking Funds amount to \$90,850,000.00 of which \$90,431,750.00 is invested in securities and \$418,250.00 is held as uninvested funds. The securities held consist of issues of the Province of Ontario, the Hydro-Electric Power Commission of Ontario and the Government of Canada. These have been verified by actual count. The uninvested funds have been verified from the records of the Provincial Treasurer.

UNFUNDED DEBT—\$104,734,611.34

DEMAND DEPOSITS WITH PROVINCE OF ONTARIO
SAVINGS OFFICE—\$63,908,955.71

Current deposits of \$63,861,548.08 and unclaimed balances of \$47,407.63 comprise this amount and these accounts are carried by 22 branches of the

Savings Office throughout the Province. The liability of the Savings Office to the depositors is similar to the liability of a Chartered Bank in regard to savings deposits.

SPECIAL FUNDS—\$20,405,117.24

Details of the balances included in this amount are shown on page 50 of the Public Accounts. The liability arises primarily through the receipt of funds which are subject to future disbursement by the Province.

During the year the Ontario Public Service Superannuation Fund deposit of Uninvested Funds increased by \$2,498,826.35 to a balance of \$14,272,471.06.

The funds held for redemption of vacation with pay stamps increased by \$511,257.61 to a new balance at March 31, 1951, of \$4,591,303.26.

HOUSING CORPORATION LIMITED—\$14,530,914.18

The liabilities of the Housing Corporation Limited consist mainly of a bank loan of \$14,524,000.00, secured by promissory notes guaranteed by the Province of Ontario.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—\$924,624.21

The liabilities of the Ontario Municipal Improvement Corporation consist mainly of a bank overdraft of \$924,472.24, guaranteed by the Province of Ontario.

MISCELLANEOUS—\$5,000.00

This account provides for certain definitive debentures now matured for which interim certificates have not been presented and for a debenture matured but not presented for payment.

ACCOUNTS PAYABLE—\$2,090,275.48

This account incorporates the value of goods received and services rendered during the year which had not been paid for as at March 31, 1951. Of the total \$1,934,160.27 arises from timber deposits and other credit balances of the Department of Lands and Forests. This liability has been brought on the Balance Sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$8,421,037.40

Interest accrued but not yet due at March 31st, 1951, on debentures outstanding in the hands of the public accounts for \$8,380,633.89 of this amount. This liability has been brought on the Balance Sheet by an adjustment through Surplus Account.

RESERVES—\$1,618,846.73

A net increase in reserves of \$249,316.86 took place during the year. The main source of this increase was the addition of \$236,681.48 to the Reserve for Mortgage Loans Principal and Interest of The Housing Corporation Limited.

SURPLUS—\$178,071,630.50

Surplus account has increased during the year by \$37,331,934.34. Details of the changes in surplus during the year are shown in the Public Accounts for 1950-51 on page 8.

CONTINGENT LIABILITIES—\$496,856,710.98

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Municipalities, Commissions, Railways, Schools, etc., as shown in the Public Accounts for 1950-51 on pages 55-58, are in accordance with the authority granted in the governing statutes.

During the fiscal year contingent liabilities increased by \$99,715,581.86. The increase is due largely to a net increase of \$100,419,000.00 in debenture issues of the Hydro-Electric Power Commission of Ontario and a decrease of \$671,000.00 in the outstanding debentures of the Ontario Northland Railway.

CHARTS AND STATEMENTS

Charts indicating the changes in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ending March 31, 1951, are appended to this report on pages 26-27.

Statements showing details of the Treasury Board Orders issued for expenditures in excess of appropriations during the fiscal year ended March 31, 1951, and Special Warrants issued during the fiscal year ended March 31, 1951, are submitted in separate sections immediately following the charts referred to above.

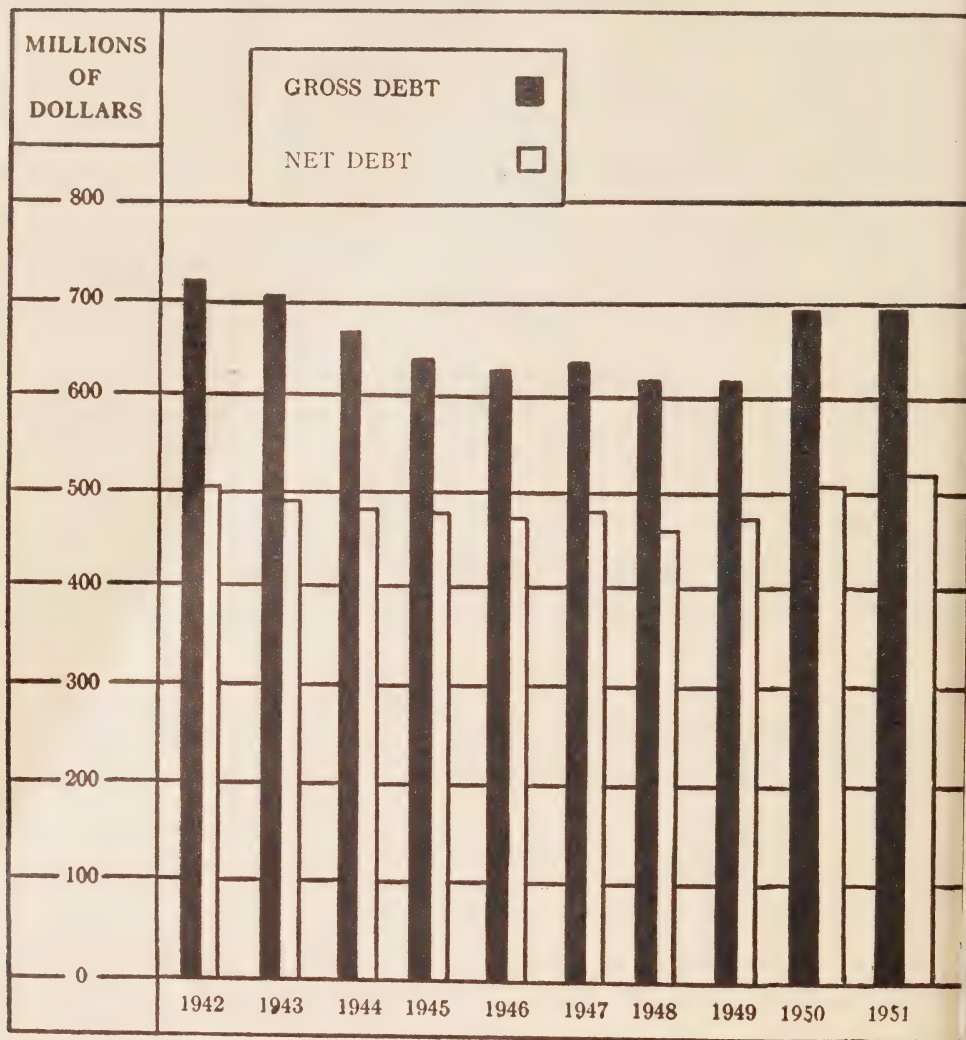
I wish to acknowledge the courtesy and co-operation afforded to this Office by the officials and staff of the various departments, boards and commissions during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 27th, 1951.

PROVINCE OF ONTARIO

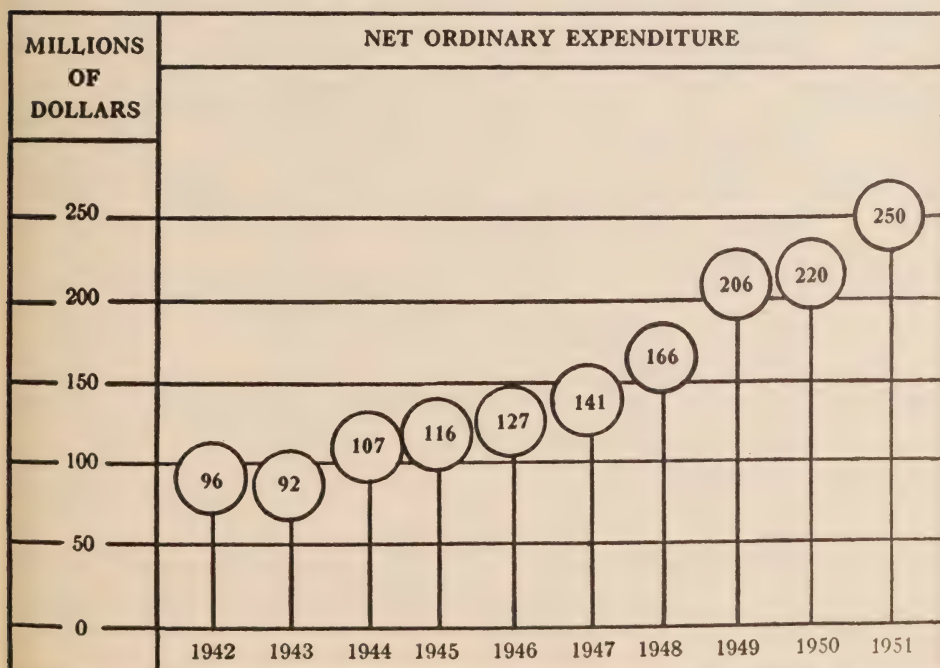
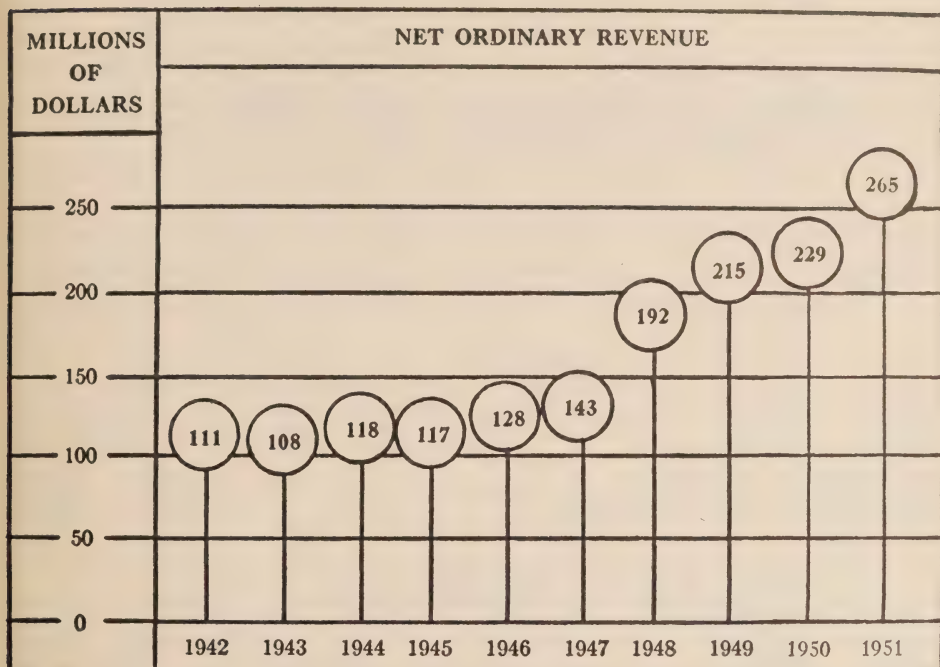
GROSS AND NET PROVINCIAL DEBT FOR THE TEN YEARS ENDED MARCH 31, 1951



Gross and Net Debt per Public Accounts

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1942	\$724,770,880.95	\$507,128,106.48
1943	704,864,361.10	495,441,291.33
1944	666,527,963.39	482,493,563.88
1945	646,483,511.60	480,308,957.15
1946	639,315,323.52	478,419,323.59
1947	645,221,457.67	493,087,004.24
1948	628,388,019.47	466,753,485.97
1949	628,662,860.20	483,675,155.06
1950	694,009,334.65	508,819,331.50
1951	697,963,424.22	521,550,164.38

PROVINCE OF ONTARIO

NET ORDINARY REVENUE AND EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1951

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS, DURING THE FISCAL YEAR ENDED MARCH 31, 1951

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	ORDINARY				
	Department of Agriculture				
	Main Office:				
Apr. 19, 1951	Maintenance.....	1,500.00		1,421.20	
Feb. 13, 1951	Compensation for Injured Workmen	2,500.00		1,505.54	
Feb. 13, 1951	Cost of Living Bonus.....	55,000.00		54,883.26	
Apr. 19, 1951	Unemployment Insurance Stamps.....	400.00		140.54	
	Agricultural and Horticultural Societies Branch:				
Feb. 13, 1951	Judges' Services, Travelling and Other Expenses.....	100.00		25.47	
Feb. 13, 1951	Field Crop Competitions, etc.....	300.00		236.20	
Mar. 16, 1951	Grants to Agricultural Societies.....	20,000.00		2,633.13	
	Co-operation and Markets Branch:				
Mar. 13, 1951	Maintenance.....	2,000.00		564.12	
	Farm Labour Service Branch:				
	Services and Expenses, etc.:				
Dec. 20, 1950	Order.....	\$10,000.00			
Apr. 19, 1951	".....	7,700.00		17,700.00	15,676.12
	Live Stock Branch:				
Feb. 13, 1951	Salaries.....	7,500.00		5,063.73	
Feb. 13, 1951	Expenses re T.B. Testing Work.....	20,000.00		19,363.70	
	Milk Control Board of Ontario:				
	Salaries:				
Feb. 13, 1951	Order.....	\$ 500.00			
Mar. 29, 1951	".....	250.00		750.00	687.79
	Women's Institute Branch and Home Economics Service:				
Apr. 19, 1951	Travelling Expenses.....	1,500.00		1,038.55	
Apr. 19, 1951	Services, Travelling, Equipment, Grants, etc....	4,000.00		3,944.80	
	Ontario Agricultural College, Guelph:				
	General Office:				
Apr. 19, 1951	Salaries.....	1,300.00		1,171.98	
Apr. 19, 1951	Expenses.....	30,000.00		29,997.25	
	Ontario Veterinary College, Guelph:				
Mar. 29, 1951	Travelling Expenses.....	1,000.00		871.64	
		165,550.00		139,225.02	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Attorney-General		
Feb. 13, 1951	Main Office: Cost of Living Bonus.....	77,000.00	75,766.47
Feb. 13, 1951	Criminal Justice Accounts: Districts: Salaries.....	15,000.00	13,550.36
Feb. 13, 1951	Medico-Legal Branch: Salaries.....	800.00	791.66
Feb. 13, 1951	Official Guardian's Office: Cost of Living Bonus.....	200.00	169.83
Feb. 13, 1951	Accountant's Office—Supreme Court of Ontario: Cost of Living Bonus.....	100.00	100.00
Feb. 13, 1951	Inspector of Legal Offices: Local Masters of Titles and Registrars of Deeds Offices: Expenses.....	400.00	399.07
Feb. 13, 1951	Law Enforcement Branch: Travelling Expenses.....	100,000.00	85,389.77
Feb. 13, 1951	Maintenance.....	15,000.00	14,891.12
Feb. 13, 1951	Radio Communicating System.....	30,000.00	28,187.12
		238,500.00	219,245.40
	Department of Education		
	Main Office and General Departmental Expenses: General Departmental Expenses:		
Feb. 13, 1951	Cost of Living Bonus.....	50,000.00	46,172.95
Dec. 20, 1950	Exhibits—Services, Expenses, etc.....	1,500.00	813.42
Feb. 13, 1951	Maintenance.....	10,000.00	6,378.59
Feb. 13, 1951	Moving Expenses of Departmental Officials..	1,000.00	292.80
Sept. 14, 1950	Revision of Courses—Services, Travelling Expenses, etc.....	27,500.00	19,454.38
Feb. 13, 1951	Royal Commission on Education.....	50,000.00	45,452.00
	Public and Separate Schools Branch: Inspection of Elementary Schools:		
April 19, 1951	Travelling and Office Expenses.....	12,000.00	11,739.79
Dec. 20, 1950	Inspection of Indian Schools—Services and Travelling Expenses.....	1,000.00	830.33
April 19, 1951	High Schools and Collegiate Institutes Branch: Maintenance.....	700.00	493.55
	Vocational Education Branch: Technical Institutes:		
Dec. 20, 1950	Maintenance: Order.....	\$25,000.00	
Apr. 19, 1951	".....	5,000.00	29,993.75
April 19, 1951	Training Schools Branch: Travelling Expenses.....	400.00	194.14
Mar. 29, 1951	Normal Schools: Salaries.....	2,000.00	871.46
April 19, 1951	Maintenance.....	6,500.00	5,454.02
	Special Services: Audio-Visual Education:		
Feb. 13, 1951	Maintenance.....	2,000.00	1,999.83
Mar. 16, 1951	Community Programmes: Travelling and Office Expenses of District Officers.....	6,000.00	4,611.42

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Education—Continued		
	Special Services—Continued		
	Correspondence Courses:		
Mar. 16, 1951	Maintenance.....	5,500.00	2,756.59
	Summer Camps:		
Feb. 13, 1951	Camps—Development and Maintenance....	4,000.00	3,758.32
Feb. 13, 1951	Operation of Camps—Services, Supplies, etc..	2,000.00	1,989.00
	Scholarships, Bursaries, etc.:		
Feb. 13, 1951	Provincial and Dominion-Provincial Bursaries, etc.....	31,000.00	
	Legislative Grants, etc.:		
Mar. 16, 1951	General Legislative Grants.....	500,000.00	499,889.21
Sept. 14, 1950	Cost of Education of Non-Resident Pupils, etc...	150,000.00	149,990.34
	Grants to Provincial and Other Universities, etc.:		
Mar. 29, 1951	University of Toronto.....	925,000.00	925,000.00
		1,818,100.00	1,758,135.89
	Department of Health		
	Main Office:		
Mar. 13, 1951	Salaries.....	9,000.00	6,489.77
	Compensation for Injured Workmen:		
Mar. 13, 1951	Order.....\$ 600.00		
Mar. 29, 1951	".....600.00	1,200.00	1,057.36
Mar. 13, 1951	Cost of Living Bonus.....	31,000.00	20,497.70
Feb. 13, 1951	Unemployment Insurance Stamps.....	300.00	
	Compensation, etc., re Tuberculosis contracted by a Workman employed in a Hospital, etc.:		
Mar. 13, 1951	Order.....\$10,000.00		
Mar. 16, 1951	".....28,000.00	38,000.00	28,686.19
	Grants:		
Mar. 29, 1951	Alcoholism Research Foundation.....	23,620.00	23,620.00
	Health Units Branch:		
Mar. 29, 1951	Special Health Services authorized by the Minister, etc.....	32,250.00	27,235.51
	Dental Services Branch:		
Mar. 29, 1951	Grants for School Dental Services.....	2,000.00	1,519.07
	Nurses Registration Branch:		
Mar. 13, 1951	Services, Examination Board.....	2,500.00	2,363.90
	Epidemiological Branch:		
Mar. 13, 1951	Outbreaks of Diseases, Sanitary Investigations, etc.....	220,000.00	208,882.23
	Tuberculosis Prevention Branch:		
Mar. 29, 1951	Travelling Expenses.....	3,000.00	2,997.55
Mar. 13, 1951	Tuberculosis Prevention Extension.....	24,000.00	23,876.06
	Laboratory Branch—Central Laboratory:		
Mar. 13, 1951	Travelling Expenses.....	2,000.00	912.54
Mar. 29, 1951	Maintenance.....	25,000.00	12,126.91
	Hospitals Branch:		
	Public and Private Hospitals Division:		
Mar. 29, 1951	Maintenance.....	3,000.00	2,837.56
	Grants, etc.:		
Mar. 29, 1951	Public Hospitals.....	300,000.00	193,391.45

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Health—Continued		
	Hospitals Branch—Continued		
Mar. 13, 1951	Ontario Hospitals Division—General Expenses:		
	Compensation for Injured Workmen.....	2,000.00	1,760.74
	Cost of Living Bonus:		
Mar. 13, 1951	Order.....\$128,000.00		
Mar. 29, 1951	".....77,000.00	205,000.00	204,718.85
Mar. 29, 1951	Printing and Stationery for Ontario Hospitals	15,000.00	14,142.73
Mar. 13, 1951	Grants to Recovered Indigent Patients from Ontario Hospitals and Removal Expenses to their Legal Domicile.....	200.00	121.90
	Ontario Hospitals:		
Feb. 13, 1951	Aurora, Maintenance.....	35,000.00	33,689.14
	Brockville, Maintenance:		
Mar. 13, 1951	Order.....\$40,000.00		
Mar. 29, 1951	".....20,000.00	60,000.00	59,918.39
Mar. 29, 1951	Hamilton, Maintenance.....	30,000.00	29,993.38
Mar. 29, 1951	Kingston, Maintenance.....	40,000.00	39,970.95
Mar. 29, 1951	Orillia School, Maintenance.....	20,000.00	19,989.10
Mar. 29, 1951	Penetanguishene, Maintenance.....	12,000.00	9,156.45
Mar. 29, 1951	Whitby, Maintenance.....	40,000.00	32,602.44
Mar. 29, 1951	Woodstock, Maintenance.....	65,000.00	65,000.00
		1,241,070.00	1,067,557.87
	Department of Highways		
	Main Office:		
Mar. 13, 1951	Cost of Living Bonus.....	40,000.00	29,659.29
Dec. 20, 1950	Unemployment Insurance Stamps.....	40,000.00	25,313.99
		80,000.00	54,973.28
	Department of Insurance		
	Main Office:		
Feb. 13, 1951	Salaries.....	3,300.00	1,816.20
Feb. 13, 1951	Maintenance.....	3,500.00	3,466.29
Feb. 13, 1951	Printing Annual Reports, etc.....	1,500.00	1,499.08
Feb. 13, 1951	Cost of Living Bonus.....	800.00	705.79
		9,100.00	7,487.36
	Department of Labour		
	Main Office:		
Feb. 13, 1951	Travelling Expenses.....	4,000.00	2,603.02
Feb. 13, 1951	Maintenance.....	2,000.00	1,999.79
Sept. 14, 1950	General Stores, Purchase of Stationery, etc.....	4,000.00	
Dec. 20, 1950	Conciliation Boards (Commissioners, etc.).....	40,000.00	13,633.78
Sept. 14, 1950	Investigations, Library Publications, etc.....	8,000.00	6,780.08
Feb. 13, 1951	Cost of Living Bonus.....	8,500.00	7,843.01
	Industry and Labour Board:		
Dec. 20, 1950	Maintenance.....	7,000.00	3,750.49
	Composite Inspection Branch:		
Feb. 13, 1951	Salaries.....	3,000.00	1,739.59
	Labour Relations Board:		
Feb. 13, 1951	Salaries.....	1,500.00	1,181.98
Feb. 13, 1951	Per Diem Allowances.....	2,500.00	2,200.00
Feb. 13, 1951	Maintenance.....	2,000.00	1,999.82
		82,500.00	43,731.56

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Lands and Forests		
Mar. 13, 1951	Main Office:		
April 19, 1951	Cost of Living Bonus:		
	Order.....\$75,000.00		
	".....5,000.00	80,000.00	79,375.94
Mar. 13, 1951	Field Services:		
	Forest Research Branch:		
	Salaries, etc., Maintenance and Operating...	10,000.00	8,595.95
Mar. 13, 1951	Basic Organization—District Offices (including		
Mar. 13, 1951	Provincial Parks, etc.):	20,000.00	13,715.92
	Travelling Expenses.....	325,000.00	305,060.31
	Maintenance and Operating.....		
		435,000.00	406,748.12
	Department of Mines		
Feb. 13, 1951	Main Office:		
	Cost of Living Bonus.....	11,500.00	9,989.63
Mar. 13, 1951	Laboratories:		
	Salaries, Equipment, etc., for the Operation of		
	Laboratories.....	8,000.00	7,393.63
		19,500.00	17,383.26
	Department of Municipal Affairs		
Feb. 13, 1951	Main Office:		
July 3, 1950	Cost of Living Bonus.....	9,000.00	7,236.41
	To provide for payment of a Subsidy to certain		
	Municipalities:		
	Mining.....	4,000.00	2,132.04
Feb. 13, 1951	Ontario Municipal Board:		
	Maintenance.....	7,500.00	6,726.20
		20,500.00	16,094.65
	Department of Planning and Development		
Mar. 13, 1951	Main Office:		
Dec. 20, 1950	Salaries.....	300.00	222.95
	Cost of Living Bonus.....	12,000.00	10,766.85
Mar. 13, 1951	Conservation Branch:		
	Maintenance.....	700.00	617.17
Feb. 13, 1951	Research Council of Ontario:		
	Research Projects and Activities to include		
	Industrial Technical Research Services.....	22,800.00	16,207.29
April 19, 1951	Trade and Industry Branch:		
	Travelling Expenses.....	500.00	442.98
		36,300.00	28,257.24
	Office of Provincial Auditor		
Feb. 13, 1951	Cost of Living Bonus.....	1,300.00	1,169.91

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Provincial Secretary				
	Main Office:				
Feb. 13, 1951	Travelling Expenses.....	200.00		16.23	
Feb. 13, 1951	Maintenance.....	8,000.00		7,926.13	
Feb. 13, 1951	Cost of Living Bonus.....	7,000.00		6,689.76	
	Sessional Requirements:				
Mar. 16, 1951	Clerks of Committees, etc., Sessional Writers, etc.....	5,000.00		4,978.69	
Mar. 16, 1951	Stationery, including Printing Paper, etc.....	15,000.00		7,830.04	
		35,200.00		27,440.85	
	Department of Provincial Treasurer				
	Main Office:				
	Maintenance:				
Mar. 13, 1951	Order.....	\$ 3,000.00			
April 19, 1951	".....	1,000.00			
		4,000.00		3,729.99	
April 19, 1951	Premium on Fidelity Bonds.....	3,000.00		2,572.14	
Dec. 20, 1950	Dominion-Provincial Conference.....	15,000.00		5,422.04	
Mar. 13, 1951	Cost of Living Bonus.....	13,000.00		11,433.68	
	Motion Picture Censorship and Theatre Inspection:				
Mar. 13, 1951	Provincial and State Conference.....	300.00		276.10	
	Controller of Revenue:				
Mar. 13, 1951	Travelling Expenses.....	2,000.00			
	Post Office:				
Mar. 13, 1951	Maintenance.....	12,000.00			
		49,300.00		23,433.95	
	Department of Public Welfare				
	Main Office:				
Feb. 13, 1951	Salaries.....	8,000.00		5,376.15	
Feb. 13, 1951	Travelling Expenses.....	1,500.00		749.83	
Feb. 13, 1951	Cost of Living Bonus.....	22,000.00		19,012.86	
	Day Nurseries Branch:				
April 19, 1951	Day Nurseries Upkeep Expenses.....	50,000.00		47,913.28	
	Children's Aid Branch:				
Mar. 13, 1951	Maintenance.....	1,000.00		997.84	
	Mothers' Allowances Branch:				
Mar. 13, 1951	Medical Services.....	6,000.00		4,936.54	
	Old Age Pensions Branch:				
Mar. 13, 1951	Maintenance.....	7,000.00		6,969.32	
Mar. 13, 1951	Medical Services.....	72,000.00		68,835.60	
	Homes for the Aged:				
Mar. 13, 1951	Maintenance.....	200.00		119.83	
	Welfare Units Branch:				
Dec. 20, 1950	Salaries.....	17,000.00		12,509.57	
		184,700.00		167,420.82	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Works		
Mar. 16, 1951	Main Office:		
Mar. 13, 1951	Compensation for Injured Workmen.....	5,000.00	1,455.18
	Cost of Living Bonus.....	18,000.00	15,757.43
	Public Buildings—Maintenance and Repairs:		
	Legislative and Departmental Buildings:		
Mar. 16, 1951	Administrative Services:	5,000.00	
	Telephone Service.....		
Mar. 16, 1951	Osgoode Hall:	4,000.00	3,583.02
Mar. 16, 1951	Salaries.....	4,000.00	3,483.21
	Maintenance.....		
	Ontario Government Branch Office Buildings:		
	General:		
Sept. 14, 1950	Rental and Caretaking of Leased Premises		
Mar. 16, 1951	and Expenses in connection therewith:		
	Order.....\$185,000.00		
	".....20,000.00	205,000.00	186,035.49
	Dams, Docks, etc., and Drainage Works:		
Mar. 16, 1951	Maintenance of Locks, Bridges, Dams and		
	Docks, etc.....	20,000.00	19,714.21
		261,000.00	230,028.54
	Department of Reform Institutions		
	Main Office:		
Mar. 13, 1951	Maintenance.....	4,000.00	3,995.48
Feb. 13, 1951	Cost of Living Bonus.....	50,000.00	44,688.26
Mar. 13, 1951	Compensation for Injured Workmen.....	1,000.00	430.33
Mar. 13, 1951	Grants: Training Schools.....	4,000.00	2,277.75
	Ontario Reformatories:		
	Guelph:		
Feb. 13, 1951	General Maintenance.....	68,000.00	51,945.63
	Mimico:		
Mar. 16, 1951	Industries.....	5,000.00	4,998.75
	Mercer—Toronto:		
Sept. 14, 1950	Industries.....	85,000.00	84,648.02
	Industrial Farms:		
	Burwash:		
Mar. 13, 1951	Repairs to Buildings, etc.....	12,000.00	7,687.26
Sept. 14, 1950	Industries.....	35,000.00	27,826.96
	Monteith:		
Mar. 13, 1951	General Maintenance.....	10,000.00	5,973.92
Mar. 13, 1951	Repairs to Buildings, etc.....	1,000.00	240.21
	Neys:		
Feb. 13, 1951	Repairs to Buildings.....	8,000.00	7,262.22
	Burtch—Brantford:		
Feb. 13, 1951	Repairs to Buildings, etc.....	1,000.00	485.64
	Ontario Training School for Girls, Cobourg:		
Dec. 20, 1950	Repairs to Buildings, etc.....	2,000.00	920.80
		286,000.00	243,381.23
	Department of Travel and Publicity		
	Main Office:		
Feb. 13, 1951	Travelling Expenses.....	800.00	795.78
Feb. 13, 1951	Maintenance.....	600.00	599.95
April 19, 1951	Cost of Living Bonus.....	2,850.00	2,825.82

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
	Department of Travel and Publicity—Continued	\$	c.
	Travel Division:		
	Publicity Branch:		
Feb. 13, 1951	Travelling Expenses.....	300.00	297.39
Feb. 13, 1951	Preparation and Printing of Travel Publications, etc.....	5,000.00	4,982.83
Feb. 13, 1951	Special Promotion, including Tours of Writers, Editors and Photographers, etc.....	1,000.00	880.93
Feb. 13, 1951	Production and Purchase of Motion Pictures, etc.....	350.00	347.75
	Information Branch:		
Feb. 13, 1951	Maintenance.....	2,000.00	1,999.06
	Public Information Division:		
Feb. 13, 1951	Preparation, Printing and Distribution of Publications.....	7,300.00	6,765.50
		20,200.00	19,495.01
	Total Treasury Board Orders.....	4,983,820.00	4,471,209.96

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR
ENDED MARCH 31, 1951

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Attorney-General		
	Expenses incurred in connection with the "Noronic" Disaster—Balance unexpended, 1949-50.	5,744.92	1,258.00
	Department of Health		
April 20, 1950	Grant to the Metropolitan General Hospital, Windsor	50,000.00	50,000.00
April 27, 1950	Compassionate Allowance to the Widow of the late Charles Henry Yelf, Attendant, Ontario Hospital, London.	1,000.00	1,000.00
Aug. 9, 1950	Special Grant, Brookside Hospital, Erindale.	15,000.00	15,000.00
Nov. 30, 1950	Special Grant, Sioux Lookout, General Hospital. . .	100,000.00	100,000.00
Nov. 30, 1950	Special Grant, Victoria Hospital, Renfrew.	23,750.00	23,750.00
		189,750.00	189,750.00
	Office of Prime Minister		
April 20, 1950	Operation of the Ontario Racing Commission:		
Aug. 31, 1950	Warrant. \$50,000.00 " 75,000.00	125,000.00	120,735.61
June 22, 1950	Aid to the Government of Manitoba, during the Flood Period.	200,000.00	194,899.77
Aug. 25, 1950	Aid to the Town of Fort Frances, Ontario, during the Flood Period.	4,000.00	3,625.88
		329,000.00	319,261.26
	Department of Provincial Secretary		
Nov. 16, 1950	Expenses in connection with Civil Defence.	10,000.00	9,989.28
	Department of Public Welfare		
June 8, 1950	Payment of Nursing Services for the Quadruplets born on October 13, 1949 to Mr. and Mrs. C. O. Hargreaves of Sault Ste. Marie, Ontario.	750.00	750.00

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Welfare—Continued		
Nov. 2, 1950	Payment of Transportation of Indigents and Families who are in receipt of Relief, or who are likely to be on Relief, from Province of Ontario to Province of Residence, and Transportation of Deserting Husbands back to place of residence of Families to determine Husband's responsibility for maintaining their Families.	1,200.00	213.72
Nov. 30, 1950	Payment of 50% of Welfare Unit Administrative Costs for the year 1949, to the following Municipalities: City of Toronto, \$225,000.00; City of Hamilton, \$18,800.00; City of Windsor, \$16,000.00	259,800.00	259,800.00
		261,750.00	260,763.72
	Department of Travel and Publicity		
Dec. 21, 1950	Payment of Expenses for Meeting of the Provincial Historical Advisory Council.	1,000.00	193.37
	Total Special Warrants.	797,244.92	781,215.63

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PROVINCIAL AUDITOR'S REPORT

1951-52

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO

TORONTO

Printed and Published by Baptist Johnston
Printer to the Queen's Most Excellent Majesty
1953



PROVINCIAL AUDITOR'S REPORT

1951-52

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
SESSIONAL PAPER No. 3, 1953



TORONTO

Printed and Published by Baptist Johnston
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1953

TO THE HONOURABLE LOUIS ORVILLE BREITHAUP, LL.D.,
Lieutenant-Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1952, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
November 28th, 1952.



REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31ST, 1952, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1951 - 1952

I have the honour to present my report to the Legislative Assembly, on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1952, in accordance with the requirements of The Audit Act.

The Balance Sheet of the Province of Ontario as at March 31, 1952, the Statements of Revenue and Expenditure for the year ended on that date and other related statements, published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion, and according to the best of my information and the explanations given to me, and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1952, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

There has been no change in the basis of accounting during the fiscal year.

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been followed, although the Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1952, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1951-52

The statements which follow summarize the operating results for the fiscal year ended March 31, 1952. The Honourable Leslie M. Frost, Q.C., LL.D., Treasurer of the Province of Ontario, in his address to the Legislative Assembly of Ontario, on March 6, 1951, presented budget forecasts of ordinary revenue and expenditure and of capital receipts and payments for the fiscal year ended March 31, 1952, and in his budget address on March 20, 1952, presented interim statements of ordinary revenue and expenditure and of capital receipts and payments for the same fiscal year, consisting of ten months' actual results and two months' forecast.

These budget forecasts and interim statements are shown in conjunction with the actual figures for purposes of comparison.

**COMPARATIVE SUMMARY
BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1951, TO MARCH 31, 1952**

	BUDGET	ACTUAL	ACTUAL OVER BUDGET
Net Ordinary Revenue.....	\$256,370,000.00	\$302,320,998.85	\$45,950,998.85
Less: Net Ordinary Expenditure (before providing for Sinking Funds).....	248,496,000.00	266,983,559.94	18,487,559.94
Surplus (before providing for Sinking Funds) \$	7,874,000.00	\$ 35,337,438.91	\$27,463,438.91
Less: Provision for Sinking Funds.....	7,276,000.00	34,276,000.00	27,000,000.00
Surplus.....	<u>\$ 598,000.00</u>	<u>\$ 1,061,438.91</u>	<u>\$ 463,438.91</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1951, TO MARCH 31, 1952**

	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 746,000.00	\$ 848,666.96	\$ 102,666.96	\$
Attorney-General..	2,405,000.00	2,639,010.01	234,010.01	
Education.....	987,000.00	1,320,682.45	333,682.45	
Health.....	2,593,000.00	2,895,676.76	302,676.76	
Highways:				
Main Office.....	30,000.00	34,956.47	4,956.47	
Gasoline Tax Branch.....	68,500,000.00	71,429,442.02	2,929,442.02	
Motor Vehicles Branch....	18,500,000.00	21,222,202.89	2,722,202.89	
	<u>\$ 87,030,000.00</u>	<u>\$ 92,686,601.38</u>	<u>\$ 5,656,601.38</u>	
Insurance.....	\$ 299,000.00	\$ 345,216.19	\$ 46,216.19	\$
Labour.....	195,000.00	285,133.73	90,133.73	
Lands and Forests.....	12,580,000.00	14,602,165.18	2,022,165.18	
Mines.....	3,519,000.00	5,856,658.03	2,337,658.03	
Municipal Affairs.....	343,000.00	511,724.07	168,724.07	
Prime Minister.....	69,000.00	96,819.97	27,819.97	
Provincial Secretary.....	655,000.00	839,913.67	184,913.67	
Provincial Treasurer:				
Main Office—Subsidy	3,155,000.00	3,640,939.68	485,939.68	
Interest.....	71,000.00	71,255.82	255.82	
Miscellaneous.....		5,943.48	5,943.48	
Liquor Control Board.....	39,000,000.00	42,000,000.00	3,000,000.00	
Liquor Control Board—				
Transfer Fees.....	570,000.00	585,543.37	15,543.37	
Public Utilities Tax.....		629,671.00	629,671.00	
Controller of Revenue Br.:				
Corporations Tax.....	71,500,000.00	94,115,142.16	22,615,142.16	
Succession Duty.....	15,500,000.00	21,651,682.97	6,151,682.97	
Hospitals Tax.....	6,000,000.00	6,329,166.66	329,166.66	
Race Tracks Tax.....	4,000,000.00	4,013,768.23	13,768.23	
Land Transfer Tax.....	1,500,000.00	1,835,958.04	335,958.04	
Security Transfer Tax..	1,100,000.00	1,796,990.26	696,990.26	
Logging Tax.....	1,000,000.00	922,271.66		77,728.34
Law Stamps.....	600,000.00	877,655.15	277,655.15	
Miscellaneous.....		17,293.18	17,293.18	
Motion Picture Censorship and Theatre Inspection Branch.....	238,000.00	273,629.81	35,629.81	
	<u>\$144,234,000.00</u>	<u>\$178,766,911.47</u>	<u>\$34,610,639.81</u>	<u>\$ 77,728.34</u>
Public Welfare.....	\$	\$ 4,042.47	\$ 4,042.47	\$
Public Works.....	38,000.00	43,825.46	5,825.46	
Reform Institutions.....	577,000.00	568,260.23		8,739.77
Travel and Publicity.....		9,690.82	9,690.82	
Miscellaneous.....	100,000.00			100,000.00
	<u>\$256,370,000.00</u>	<u>\$302,320,998.85</u>	<u>\$46,137,466.96</u>	<u>\$186,468.11</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1951, TO MARCH 31, 1952**

	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 8,054,000.00	\$ 7,658,779.89	\$	\$ 395,220.11
Attorney-General.....	9,182,000.00	11,124,365.30	1,942,365.30	
Education.....	63,166,000.00	67,553,128.06	4,387,128.06	
Health.....	37,263,000.00	44,638,047.50	7,375,047.50	
Highways.....	46,000,000.00	54,491,976.19	8,491,976.19	
Insurance.....	132,000.00	132,941.15	941.15	
Labour.....	1,120,000.00	1,232,053.54	112,053.54	
Lands and Forests.....	10,750,000.00	10,681,717.01		68,282.99
Lieutenant-Governor.....	20,000.00	17,255.00		2,745.00
Mines.....	942,000.00	919,710.29		22,289.71
Municipal Affairs.....	5,747,000.00	5,397,042.87		349,957.13
Planning and Development.....	2,706,000.00	2,548,710.64		157,289.36
Prime Minister.....	217,000.00	257,406.59	40,406.59	
Provincial Auditor.....	230,000.00	222,516.32		7,483.68
Provincial Secretary.....	950,000.00	1,176,107.98	226,107.98	
Provincial Treasurer.....	3,247,000.00	3,203,898.48		43,101.52
Public Welfare.....	26,788,000.00	24,636,823.19		2,151,176.81
Public Works.....	4,154,000.00	3,658,501.86		495,498.14
Reform Institutions.....	5,434,000.00	5,873,838.98	439,838.98	
Travel and Publicity.....	661,000.00	1,044,896.09	383,896.09	
Stationery Account.....		64,436.98	64,436.98	
Miscellaneous.....	100,000.00			100,000.00
	<u>\$226,863,000.00</u>	<u>\$246,534,153.91</u>	<u>\$23,464,198.36</u>	<u>\$3,793,044.45</u>
Public Debt:				
Interest, Exchange, etc..	21,633,000.00	20,449,406.03		1,183,593.97
Sinking Fund Instalments	7,276,000.00	34,276,000.00	27,000,000.00	
	<u>\$255,772,000.00</u>	<u>\$301,259,559.94</u>	<u>\$50,464,198.36</u>	<u>\$4,976,638.42</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1951, TO MARCH 31, 1952**

	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$	\$ 1.28	\$	1.28
Highways.....	705,000.00	839,961.89	134,961.89	
Labour.....	6,000,000.00	8,621,556.57	2,621,556.57	
Lands and Forests.....	2,625,000.00	3,225,432.07	600,432.07	
Mines.....	80,000.00	92,777.71	12,777.71	
Provincial Secretary.....	4,126,000.00	4,372,450.94	246,450.94	
Provincial Treasurer.....	13,799,000.00	63,426,231.77	49,627,231.77	
Public Welfare.....		68,094.36	68,094.36	
Public Works.....		24,971.00	24,971.00	
	<u>\$ 27,335,000.00</u>	<u>\$ 80,671,477.59</u>	<u>\$53,336,477.59</u>	

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL PAYMENTS
FOR THE FISCAL YEAR APRIL 1, 1951, TO MARCH 31, 1952**

	BUDGET CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 8,250,000.00	\$ 10,473,236.00	\$ 2,223,236.00	\$
Health.....	2,000,000.00	73,226.60		1,926,773.40
Highways.....	47,210,000.00	49,507,666.74	2,297,666.74	
Labour.....	6,000,000.00	6,935,469.81	935,469.81	
Lands and Forests.....	2,200,000.00	2,196,671.93		3,328.07
Mines.....	1,000,000.00	145,532.37		854,467.63
Provincial Secretary.....	1,750,000.00	1,858,940.76	108,940.76	
Provincial Treasurer.....	2,347,000.00	110,740,177.09	108,393,177.09	
Public Welfare.....		1,233.25	1,233.25	
Public Works.....	12,000,000.00	9,890,022.40		2,109,977.60
Miscellaneous.....	150,000.00	43,770.07		106,229.93
	<u>\$ 82,907,000.00</u>	<u>\$191,865,947.02</u>	<u>\$113,959,723.65</u>	<u>\$5,000,776.63</u>

COMPARATIVE SUMMARY

**NET INTERIM * AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1951, TO MARCH 31, 1952**

	INTERIM	ACTUAL	ACTUAL OVER INTERIM
Net Ordinary Revenue.....	\$293,063,000.00	\$302,320,998.85	\$9,257,998.85
Less: Net Ordinary Expenditure (before providing for Sinking Funds).....	266,891,000.00	266,983,559.94	92,559.94
Surplus (before providing for Sinking Funds)	<u>\$ 26,172,000.00</u>	<u>\$ 35,337,438.91</u>	<u>\$9,165,438.91</u>
Less: Provision for Sinking Funds.....	25,276,000.00	34,276,000.00	9,000,000.00
Surplus.....	<u>\$ 896,000.00</u>	<u>\$ 1,061,438.91</u>	<u>\$ 165,438.91</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1951, TO MARCH 31, 1952**

	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 855,000.00	\$ 848,666.96	\$ 185,010.01	\$ 6,333.04
Attorney-General.....	2,454,000.00	2,639,010.01		55,317.55
Education.....	1,376,000.00	1,320,682.45		
Health.....	2,858,000.00	2,895,676.76	37,676.76	
Highways:				
Main Office.....	30,000.00	34,956.47	4,956.47	
Gasoline Tax Branch....	71,000,000.00	71,429,442.02	429,442.02	
Motor Vehicles Branch...	21,000,000.00	21,222,202.89	222,202.89	
	<u>\$ 92,030,000.00</u>	<u>\$ 92,686,601.38</u>	<u>\$ 656,601.38</u>	
Insurance.....	\$ 344,000.00	\$ 345,216.19	\$ 1,216.19	\$
Labour.....	273,000.00	285,133.73	12,133.73	
Lands and Forests.....	13,899,000.00	14,602,165.18	703,165.18	
Mines.....	4,598,000.00	5,856,658.03	1,258,658.03	
Municipal Affairs.....	527,000.00	511,724.07		15,275.93
Prime Minister.....	90,000.00	96,819.97	6,819.97	
Provincial Secretary.....	819,000.00	839,913.67	20,913.67	
Provincial Treasurer:				
Main Office: Subsidy.....	3,641,000.00	3,640,939.68		60.32
Interest.....	71,000.00	71,255.82	255.82	
Miscellaneous.....	6,000.00	5,943.48		56.52
Liquor Control Board....	42,000,000.00	42,000,000.00		
Liquor Control Board—				
Transfer Fees.....	570,000.00	585,543.37	15,543.37	
Public Utilities Tax.....	630,000.00	629,671.00		329.00
Controller of Revenue				
Branch:				
Corporations Tax....	90,000,000.00	94,115,142.16	4,115,142.16	
Succession Duty.....	19,500,000.00	21,651,682.97	2,151,682.97	
Hospitals Tax.....	6,290,000.00	6,329,166.66	39,166.66	
Race Tracks Tax....	4,014,000.00	4,013,768.23		231.77
Land Transfer Tax... .	1,800,000.00	1,835,958.04	35,958.04	
Security Transfer Tax..	1,668,000.00	1,796,990.26	128,990.26	
Logging Tax.....	1,000,000.00	922,271.66		77,728.34
Law Stamps.....	837,000.00	877,655.15	40,655.15	
Miscellaneous.....	8,000.00	17,293.18	9,293.18	
Motion Picture Censor-				
ship and Theatre In-				
spection Branch.....	270,000.00	273,629.81	3,629.81	
	<u>\$172,305,000.00</u>	<u>\$178,766,911.47</u>	<u>\$ 6,540,317.42</u>	<u>\$ 78,405.95</u>
Public Welfare.....	\$ 42,000.00	\$ 43,825.46	\$ 1,825.46	\$
Public Works.....	593,000.00	568,260.23		24,739.77
Reform Institutions.....		9,690.82	9,690.82	
Travel and Publicity.....				
	<u>\$293,063,000.00</u>	<u>\$302,320,998.85</u>	<u>\$ 9,438,071.09</u>	<u>\$ 180,072.24</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1951, TO MARCH 31, 1952**

	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 7,735,000.00	\$ 7,658,779.89	\$	\$ 76,220.11
Attorney-General.....	11,306,000.00	11,124,365.30		181,634.70
Education.....	67,703,000.00	67,553,128.06		149,871.94
Health.....	44,959,000.00	44,638,047.50		320,952.50
Highways.....	52,267,000.00	54,491,976.19	2,224,976.19	
Insurance.....	133,000.00	132,941.15		58.85
Labour.....	1,236,000.00	1,232,053.54		3,946.46
Lands and Forests.....	10,725,000.00	10,681,717.01		43,282.99
Lieutenant-Governor.....	18,000.00	17,255.00		745.00
Mines.....	939,000.00	919,710.29		19,289.71
Municipal Affairs.....	5,558,000.00	5,397,042.87		160,957.13
Planning and Development..	2,553,000.00	2,548,710.64		4,289.36
Prime Minister.....	259,000.00	257,406.59		1,593.41
Provincial Auditor.....	228,000.00	222,516.32		5,483.68
Provincial Secretary.....	1,204,000.00	1,176,107.98		27,892.02
Provincial Treasurer.....	3,215,000.00	3,203,898.48		11,101.52
Public Welfare.....	25,507,000.00	24,636,823.19		870,176.81
Public Works.....	3,847,000.00	3,658,501.86		188,498.14
Reform Institutions.....	5,955,000.00	5,873,838.98		81,161.02
Travel and Publicity.....	1,057,000.00	1,044,896.09		12,103.91
Stationery Account.....	30,000.00	64,436.98	34,436.98	
	<u>\$246,434,000.00</u>	<u>\$246,534,153.91</u>	<u>\$2,259,413.17</u>	<u>\$2,159,259.26</u>
Public Debt:				
Interest, Exchange, etc...	20,457,000.00	20,449,406.03		7,593.97
Sinking Fund Instalments	25,276,000.00	34,276,000.00	9,000,000.00	
	<u>\$292,167,000.00</u>	<u>\$301,259,559.94</u>	<u>\$11,259,413.17</u>	<u>\$2,166,853.23</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1951, TO MARCH 31, 1952**

	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$	\$ 1.28	\$	\$ 1.28
Highways.....	805,000.00	839,961.89	34,961.89	
Labour.....	8,002,000.00	8,621,556.57	619,556.57	
Lands and Forests.....	2,577,000.00	3,225,432.07	648,432.07	
Mines.....	85,000.00	92,777.71	7,777.71	
Provincial Secretary.....	4,136,000.00	4,372,450.94	236,450.94	
Provincial Treasurer.....	43,469,000.00	63,426,231.77	19,957,231.77	
Public Welfare.....		68,094.36	68,094.36	
Public Works.....	11,000.00	24,971.00	13,971.00	
	<u>\$ 59,085,000.00</u>	<u>\$ 80,671,477.59</u>	<u>\$21,586,477.59</u>	

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
PAYMENTS FOR THE FISCAL YEAR APRIL 1, 1951, TO MARCH 31, 1952**

	NET INTERIM CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 10,315,000.00	\$ 10,473,236.00	\$ 158,236.00	\$
Health.....	73,000.00	73,226.60	226.60	
Highways.....	51,900,000.00	49,507,666.74		2,392,333.26
Labour.....	7,000,000.00	6,935,469.81		64,530.19
Lands and Forests.....	2,200,000.00	2,196,671.93		3,328.07
Mines.....	150,000.00	145,532.37		4,467.63
Provincial Secretary.....	1,750,000.00	1,858,940.76	108,940.76	
Provincial Treasurer.....	100,765,000.00	110,740,177.09	9,975,177.09	
Public Welfare.....		1,233.25	1,233.25	
Public Works.....	11,950,000.00	9,890,022.40		2,059,977.60
Miscellaneous.....	50,000.00	43,770.07		6,229.93
	<u>\$186,153,000.00</u>	<u>\$191,865,947.02</u>	<u>\$10,243,813.70</u>	<u>\$4,530,866.68</u>

*10 months' actual—2 months forecast.

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1952, showing the percentage of each item to the total, classified by major categories, is presented in the following statement.

**PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1952**

NET ORDINARY REVENUE

		%
Corporations Tax.....	\$ 94,115,142.16	31.13
Gasoline Tax.....	71,382,060.21	23.61
Liquor Profits, Fines, Transfer Fees, etc.....	42,585,543.37	14.09
Succession Duties.....	21,651,682.97	7.16
Motor Vehicle Licenses and Fees, etc.....	21,222,202.89	7.02
Timber Dues, Bonus, etc.....	9,500,865.10	3.14
Hospitals Tax.....	6,329,166.66	2.09
Mines Profit Tax.....	5,222,698.50	1.73
Race Track Betting Tax.....	4,013,768.23	1.33
Government of Canada—Annual Subsidies.....	3,640,939.68	1.20
Fish and Wildlife Licenses, Royalties, etc.....	3,319,945.44	1.10
All other revenues.....	19,336,983.64	6.40
	<u>\$302,320,998.85</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE

		%
Education.....	\$ 67,553,128.06	22.42
Public Debt:		
Interest, etc.....	\$20,449,406.03	
Sinking Fund Instalments.....	34,276,000.00	18.16
Highway Maintenance, Grants, etc.....	54,491,976.19	18.09
Health Services.....	44,638,047.50	14.82
Public Welfare.....	24,636,823.19	8.18
Law Enforcement.....	11,124,365.30	3.69
Conservation of Forests, Fish and Wildlife.....	10,681,717.01	3.55
Agricultural Services, Grants, etc.....	7,658,779.89	2.54
Subsidy paid re Police and Fire Departments.....	3,614,394.18	1.20
All other expenditures.....	22,134,922.59	7.35
	<u>\$301,259,559.94</u>	<u>100.00</u>

Estimated gross expenditure for the year as shown on page 5 of the 1952 estimates was \$382,835,000.00. The actual gross expenditure was \$529,907,958.73, a net increase of \$147,072,958.73. The following analysis summarizes the net increase in actual over estimated gross expenditure.

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1952**

CLASSIFICATION	ESTIMATED	GROSS ACTUAL	GROSS ACTUAL UNDER ESTIMATED	GROSS ACTUAL OVER ESTIMATED
Ordinary:				
Voted.....	\$171,949,205.00	\$179,231,505.68		\$ 7,282,300.68
Statutory.....	93,432,795.00	132,240,599.68		38,807,804.68
Special Warrants.....		1,620,959.97		1,620,959.97
	<u>\$265,382,000.00</u>	<u>\$313,093,065.33</u>		<u>\$47,711,065.33</u>
Capital:				
Voted.....	\$ 59,947,000.00	\$ 44,484,372.81	\$15,462,627.19	
Statutory.....	57,506,000.00	172,330,520.59		114,824,520.59
	<u>\$117,453,000.00</u>	<u>\$216,814,893.40</u>	<u>\$15,462,627.19</u>	<u>\$114,824,520.59</u>
Total Expenditure.....	<u>\$382,835,000.00</u>	<u>\$529,907,958.73</u>	<u>\$15,462,627.19</u>	<u>\$162,535,585.92</u>

**Summary of Net Decreases or Increases in Actual as compared
with Estimated Gross Expenditure**

CLASSIFICATION	DECREASE	INCREASE
Voted.....	\$8,180,326.51	\$
Statutory.....		153,632,325.27
Special Warrants.....		1,620,959.97
	<u>\$8,180,326.51</u>	<u>\$155,253,285.24</u>

The net decreases or increases in actual as compared with estimated gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED

The Legislative Assembly authorized expenditure appropriations for the fiscal year under review in the amount of \$231,896,205.00, comprised of \$171,949,205.00 ordinary account and \$59,947,000.00 capital account. Actual gross expenditure charged to appropriations amounted to \$223,715,878.49 comprised of \$179,231,505.68 ordinary account and \$44,484,372.81 capital account. Thus the total actual gross expenditure charged to appropriations authorized was \$8,180,326.51 less than the total amount authorized. It is pointed out, however, that while the total actual gross expenditure was \$8,180,326.51 less than the total appropriations authorized, many appropriations authorized were exceeded and treasury board orders were issued by the Treasury board for the required authority. In all cases where the actual expenditure exceeded the original appropriation the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$8,804,560.00 comprising \$7,769,560.00 ordinary account and \$1,035,000.00 capital account with actual

expenditure relative thereto amounting to \$7,796,635.32 of which \$6,861,165.51 applied to ordinary and \$935,469.81 to capital. These expenditures are included in the total gross expenditure of \$223,715,878.49 referred to above and are not in addition thereto.

Full details of treasury board orders authorized and the amounts expended as a consequence thereof will be found on pages 30-39 of this report.

STATUTORY

The Estimates presented for the year 1951-52 forecast \$150,938,795.00 gross expenditure under statutory authority. This amount was divided \$93,432,795.00 to ordinary expenditure and \$57,506,000.00 to capital purposes. Actual gross statutory expenditure amounted to \$304,571,120.27 consisting of \$132,240,599.68 ordinary expenditure and \$172,330,520.59 capital expenditure. The actual total gross statutory outlay exceeded the estimate by \$153,632,325.27. This is the result of actual gross ordinary statutory expenditure exceeding the estimate by \$38,807,804.68 and actual gross capital statutory payments being \$114,824,520.59 in excess of the estimate. The excess of \$38,807,804.68 in gross ordinary statutory expenditure over the estimate is accounted for by additional Sinking Fund instalments of \$27,000,000.00 made in respect of debenture issues, Election expenses of \$2,216,320.00, an increase of \$8,741,085.51 in Highways' gross ordinary statutory expenditure and a net increase of \$850,399.17 in all other items of gross ordinary statutory expenditure.

The total gross outlay on capital statutory account exceeded the related estimates by \$114,824,520.59. This difference arises as follows:

PAYMENTS OVER THE ESTIMATE:

Agriculture—H.E.P.C.:	
Bonus for Rural Primary and Secondary Lines.....	\$ 2,223,736.00
Highways.....	2,297,666.74
Provincial Secretary:	
Ontario Public Service Superannuation Fund.....	108,940.76
Provincial Treasurer:	
Special Advances, Hydro-Electric Power Commission of Ontario.....	100,000,000.00
Investment Consolidated Revenue Fund Surplus...	10,000,000.00
Miscellaneous.....	194,177.09
	<u>\$114,824,520.59</u>

SPECIAL WARRANTS

During the year expenditure in the amount \$1,620,959.97 was made through special warrants under authority of subsection 3, section 13 of The Audit Act. The main items were for grants to Hospitals in the amount of \$501,848.36, Ontario Rentals Administration expenses, \$397,010.02, grant to St. John's Training School \$375,000.00, expenses in the Standardization Programme of Fire Hose Couplings and Allied Fittings in Ontario \$194,804.58.

Full details of special warrants authorized and the amounts expended will be found on pages 40-42 of this report.

GENERAL

I refer hereunder to certain matters relating to the operations of the year 1952.

During the year net capital expenditures on King's Highways, Development Roads and Municipal Roads Subsidies amounted to \$48,475,375.05, which is an increase of \$12,539,246.54 over 1951, and in addition \$145,532.37 was spent on Mining Roads.

An advance of \$100,000,000.00 was made to the Hydro-Electric Power Commission of Ontario and is secured by Bonds of the Commission in an equivalent amount, as described more fully in the comments concerning Balance Sheet Assets in a subsequent section of this report.

Capital payments were made to the Hydro-Electric Power Commission of Ontario in the amount of \$10,223,736.00 to assist in rural electrification projects. This was an increase of \$2,927,057.00 over 1951.

Public Works and Buildings were added to during the year by the capital expenditure of \$8,493,533.13 and General Works and Improvements by the capital expenditure of \$1,396,489.27.

Sinking Fund Instalments of \$34,276,000.00 were provided through Ordinary Account.

Contributions by the Province to the Teachers' Superannuation Fund and Ontario Public Service Superannuation Fund amounted to \$2,974,385.22 and \$1,454,727.39 respectively, in accordance with the requirements of the respective enactments relative thereto.

In addition a payment of \$1,000,000.00 was made by the Province to the Teachers' Superannuation Fund as a special contribution of a portion of the amount by which the estimated liabilities exceed the assets of the Fund. This procedure, though making an important advance in the right direction, must be considered as tentative and not as a final solution.

A report of the Actuary on the condition of the Teachers' Superannuation Fund was made as of June 30, 1951. The report states that the net unfunded accrued liability in respect of living pensioners and active teachers as of July 1, 1951, amounted to over \$93,000,000.00. In 1948 the deficit was \$51,000,000.00 and in 1945 the deficit was about \$11,000,000.00. The meaning of this unfunded liability is that no immediate provision has been made to liquidate it during the service lifetime of the members causing the liability. The report discloses that he past service up to July 1, 1951, of the whole present Ontario Teachers' body will cost future teachers or future taxpayers or both, something that has a capitalized value of over \$93,000,000.00. This is a very serious matter.

The Actuary makes the following recommendations which, in his opinion, are the minimum steps to be taken to place the Teachers' Superannuation Fund in order:

- (a) The current rate of 4% contribution from the Province should be raised to 6%. If this recommendation is carried out some \$12,000,000.00 of the present deficit would be directly funded, leaving over \$80,000,000.00 in accrued liability unfunded.
- (b) the Fund should receive special payments to liquidate the deficit over the service lifetime of present active teachers. Presumably the Province

will ultimately have to provide additional monies, which have a present capitalized value of some \$80,000,000.00 after allowing for the extra 2% contribution in paragraph (a). The Province should provide now for special yearly payments covering interest at $4\frac{1}{2}\%$ on the deficit, to at least keep the deficit from growing. The interest would amount to approximately \$3,600,000.00 yearly. In other words an additional 5% per annum on current salaries paid to teachers is needed as a minimum special annual payment.

- (c) The restoration of interest charges on amounts formerly withdrawn by teachers who return to the profession.

At present an actuarial valuation of the Ontario Public Service Superannuation Fund is being made.

In my opinion and as stated in my report of November 27, 1951, the receipts of both the Teachers' Superannuation Fund and the Ontario Public Service Superannuation Fund composed of contributions from employees, together with contributions from the Government, Boards, Commissions and Municipalities and interest earned, are insufficient to meet the actuarial requirements of the Funds.

It is evident, in the interest of sound finance, that sufficient consideration should be given to the actuarial results of present practice so as to prevent an increase in the deficits. If this is not done the present practice produces a result which relieves the expenditure of the current fiscal year at the expense of the expenditures of the future.

I again strongly recommend that the Province adopt the principle of providing in full for future superannuation benefits in the year in which the service which gives rise to the right thereto is rendered.

AUDIT OF REVENUE

I have to report that, as a result of examinations of the revenues of various departments, I am of the opinion that the revenues of the Province are being fully accounted for.

A continuous audit is maintained of the revenues of the Province.

The systems of internal control and the accounting procedures in operation in the various departments have been reviewed to the extent deemed adequate to determine their effectiveness.

In my report last year I recommended that a review be made of perquisites granted to civil servants. As a result of the recommendation a complete survey is at present being made of the value of all perquisites received by employees in the service.

A considerable proportion of the revenue of the Province is derived from various fees for services and from licenses, apart from Motor Vehicle Licenses. In most cases no recent increases have been made in the amounts charged. It is again recommended that a review be made of the fees charged in all Departments for the purpose of making sure that the fees currently charged are providing a fair return for the services rendered and privileges granted at a time when the costs of government have so greatly increased.

AUDIT OF EXPENDITURE

In accordance with the requirements of The Audit Act, an audit has been maintained of the expenditures of the Province made during the fiscal year ended March 31, 1952.

On authority of section 11 of The Audit Act, vouchers, in some instances, were admitted as satisfactory after audit tests had been performed. The extent of the tests was determined in the light of experience and by the efficiency of the accounting and internal control organization of the department concerned. Representative transactions were traced through all stages from inception to conclusion.

I want to draw the attention of all Departments to the need for exercising care in connection with postage stamp transactions. Adequate supervision must be exercised over stamp transactions and these transactions must be treated with the same care as cash transactions. Certificates should be required from a responsible official that amounts have been properly accounted for and also frequent verifications, by actual count, should be made of the stamps on hand.

The present practice of not requiring the Departments to pay the Treasury Department the cost of postage on mail sent on their behalf through the Legislative Assembly Post Office should be given consideration. In my opinion a real economy could be effected by a change in practice which would require the Departments to pay for all their postage costs.

During the year examinations of stores records in several Departments were made and in general the records were found in order. However, constant vigilance is required to ensure the maintenance of proper stores records. The necessity for effective control of stores cannot be overstressed. It is as essential in principle for stores as for cash that a continuous record be kept. All stores received and requisitioned for use should be recorded so that all supplies may be traced from the time of their receipt to the time of their consumption. The maintenance of such a record is of prime importance in ensuring care and preventing waste in dealing with public property.

As a result of the continued demand for expansion of government services the attention of the Departments is called to the great value of good organization and work methods and the need for special effort to ensure them. The Departments, in my opinion, must in future pay more attention to their administrative and clerical processes in order to effect economies and increase efficiency. Some of the Departments are too small to require the full time services of an official for this purpose. Therefore, it is recommended that the Treasury Department establish a section to review the organization and work methods in force in the various Departments. It must be emphasized, however, that the primary responsibility for thrifty, competent administration must always rest with the individual Departments.

I would again emphasize the necessity of focusing attention on the control of the financial administration of the Province. A review should be made of the statutes and various other authorities relating to fiscal accounts—those dealing with revenues, custody of funds, disbursements and public debt. A review, involving the machinery and methods or processes by which funds for the support of public services are raised, spent and accounted for, will reveal the expansion of financial responsibilities in all departments in the past number of years.

Due to this expansion a more centralized financial authority is required. This will tend to improve and keep up to date the budgetary accounting and auditing control over the financial transactions of the Province.

BALANCE SHEET

The Balance Sheet does not include as an asset the value of Crown timber, mineral wealth of Crown lands, Crown lands, water powers, fish, game and fur.

The Balance Sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

I report hereunder on certain of the Assets and Liabilities as shown on the Balance Sheet at March 31, 1952.

ASSETS

CASH ON HAND AND IN BANKS—\$28,589,738.10

Cash in Chartered Banks.....	\$27,695,942.84
Province of Ontario Savings Office—	
Cash on hand and in banks.....	893,795.26
	<u>\$28,589,738.10</u>

The cash on deposit in chartered banks for the account of the Treasury and various Savings Office branches was verified by reconciliation with letters of confirmation received directly from the depositaries.

LOANS AND ADVANCES—\$231,641,059.49

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

OPEN ADVANCES—\$65,691,522.25

During the year ended March 31, 1952, the Commission repaid \$1,732,499.88 to the Province of Ontario on account of advances made under The Power Commission Act. The money originally advanced by the Province for the construction of fixed assets represented a portion of the proceeds of certain Provincial debenture issues. As the debentures mature the Province is repaid the portion originally advanced.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES SECURED BY BONDS—\$100,000,000.00

Under authority of section 50a of The Power Commission Act, as enacted by The Power Commission Amendment Act, 1951, debentures of the Province of Ontario were issued during the year and the proceeds in the amount of \$100,000,000.00 were advanced to the Hydro-Electric Power Commission of Ontario. As security for the advance, the Commission delivered to the Province of Ontario bonds of the Hydro-Electric Power Commission of Ontario for the same principal amount and the same interest rate and terms as the related Province of Ontario debentures. The advances were made for the purpose of repaying temporary loans and to provide in part for capital expenditures of the Commission. The securities held by the Province have been verified by actual count.

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,934.92

This amount represents advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$13,485,824.58

The assets of the Housing Corporation Limited have decreased during the year by \$1,444,064.11. This is due to repayment of mortgage loans principal and the application of the related funds to the reduction of the outstanding bank loans of the Corporation. In the same period the Reserve for Mortgage Loans including principal and interest was increased by \$179,875.96 to a total of \$578,840.47.

As at March 31, 1952, there were 13,117 mortgage loans in the course of repayment.

Under The Housing Development Act, the Province guaranteed the indebtedness of the Housing Corporation Limited, which is a corporation created by the Province for the purpose of rendering assistance to persons requiring housing. Money was loaned to individuals on the security of second mortgages. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

The assets and liabilities of the Housing Corporation Limited have been included with the other accounts on the Balance Sheet of the Province. The balance sheet of the Housing Corporation Limited is also shown separately in the Public Accounts on page 51.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—

INVESTMENTS—\$10,099,342.33

Under The Ontario Municipal Improvement Corporation Act, the Province guaranteed the indebtedness of the Ontario Municipal Improvement Corporation, which is a corporation created by the Province for the purpose of purchasing from municipalities in Ontario debentures issued by them for certain municipal works and undertakings. Debentures of Ontario municipalities have been purchased by the Corporation and are held as an investment in the amount of \$9,993,481.26 which together with accrued interest receivable amounting to \$105,861.07 make up the Province's investment of \$10,099,342.33.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—

INVESTMENTS—\$6,245,734.93

Agricultural Development Board—Debentures	\$ 6,125,000.00
The Farm Loans Act—Farm Loans Associations	38,012.23
Capital Stock in Associations	2,145.00
Municipal Debentures—Village of West Lorne	80,577.70
	<u>\$ 6,245,734.93</u>

During the year the principal sum of \$1,630,530.31 was received on account of the above investments.

Maturity dates of the Agricultural Development Board Debentures were originally related to the maturity dates of the loans issued. The maturity dates of many of these loans have been altered by re-amortization and re-issue to dates beyond the terms of the related debentures. Consequently, unless the maturity dates of the debentures are amended by order-in-council, the Commissioner of Agricultural Loans will experience difficulty in meeting all the debentures of the Agricultural Development Board as they fall due.

MUNICIPALITIES, ETC.—\$5,910,600.48

Co-operative Marketing Loans.....	\$ 1,195,107.00
Drainage Debentures.....	1,306,169.74
Sandwich, Windsor and Amherstburg Railway Company—Bonds.....	1,300,000.00
City of Windsor Municipal Debentures.....	2,098,898.69
Miscellaneous.....	10,425.05
	<u>\$ 5,910,600.48</u>

Net increases during the year were made in Co-operative Marketing Loans in the amount of \$181,766.00 and in Drainage Debentures amounting to \$206,552.60. The Sandwich, Windsor and Amherstburg Railway met a maturity of \$50,000.00 during the year and the City of Windsor paid off \$156,623.13 of its debentures at the due dates throughout the year.

GOVERNMENT OF CANADA—\$4,271,015.28

DEBT ACCOUNT—\$2,848,289.52

There has been no change in this account during the year.

COMMON SCHOOL FUND—\$1,422,725.76

This amount represents Ontario's present interest in a permanent fund of \$2,677,770.70 held in trust by the Government of Canada for the Province of Ontario and Quebec jointly. The funds were derived from the sale of Crown lands set aside for the benefit of common schools by statutes enacted before confederation. The Government of Canada pays interest to the Provinces on the principal sum at the rate of 5% per annum, payable semi-annually, in proportion to their respective populations as determined by the most recent decennial census. The present basis for allocation is the census of 1951.

BUILDINGS, ROADS, ETC.—\$709,044,736.15

Roads and Highways.....	\$554,882,234.55	
Less Capital Expenditure to October 31, 1922, written off.....	45,212,514.10	
		<u>\$509,669,720.45</u>
Public Buildings, Public Works, etc.....		195,441,570.67
Niagara Parks Commission.....		2,446,023.50
Mississagi Salvage.....		1,487,421.53
		<u>\$709,044,736.15</u>

Net capital expenditures were made during the year on Roads and Highways of \$48,620,907.42. The accumulated capital expenditures to date on Roads and Highways amount to \$554,882,234.55 stated at cost.

The life of highways cannot be considered as perpetual and although it is difficult to estimate the average service life of highway construction, thirty years, or one generation, may be accepted as reasonable. Based on this premise, it is the intention to maintain on the books of the Province as highway assets only the net capital highway expenditure relating to a thirty-year period prior to the date of the balance sheet. The highways built prior to 1922 have been either completely replaced or reconstructed to such an extent that it is now considered the cost of original construction should be written off. Accordingly the highway capital expenditure made prior to October 31, 1922, in the amount of \$45,212,514.10 has been written off and charged to Surplus Account in the fiscal year 1951-52 leaving a book value of Roads and Highways at March 31, 1952, of \$509,669,720.45.

Net increases during the year were made to Public Buildings, Public Works, etc., in the amount of \$19,896,807.26 of which \$10,223,736.00 relates to Rural Power Bonus. No depreciation has been accrued on these assets.

The surplus account of the Niagara Parks Commission as at the close of its fiscal year, October 31, 1951, showed a balance of \$2,446,023.50, which is included in the accounts of the Province by authority of subsection 2, of section 14, of The Niagara Parks Act. This amount has been brought on the Balance Sheet through an adjustment to Surplus Account.

The Investment of the Province in the Mississagi Salvage project has been reduced from \$2,327,206.64 as at March 31, 1951, to \$1,487,421.53 as at March 31, 1952. In 1951-52 sale of lumber from salvaged timber exceeded the outlay on salvaging fire-damaged timber by \$839,785.11.

OTHER LOANS AND ADVANCES—\$768,241.29

Co-operative Marketing Loans.....	\$130,000.00
Guaranteed Debentures and Interest Coupons redeemed by Province.....	267,352.31
Home Bank (in Liquidation)—Balance.....	213,000.00
Municipal Drainage Debentures.....	2,760.26
Promissory Notes Paid—Ottawa Separate Schools Commission.....	53,902.23
Settlers' Loans.....	98,554.90
Mothers' Allowances—Municipalities.....	1,530.00
Rural Power Districts—Domestic Loans.....	1,141.59
	<u>\$768,241.29</u>

This represents a segregation of Loans and Advances which are in arrears or in default.

During the year Guaranteed Debentures and Interest Coupons redeemed by the Province were written off in the amount of \$149,618.28 and repayment of \$2,538.70 was received.

Outstanding Settlers' Loans have been reduced by \$13,879.82 and repayment was received on Rural Power Domestic Loans in the amount of \$150.00.

These assets are carried at book value as the ultimate realization value cannot be determined at this date.

DISCOUNT ON DEBENTURES—\$5,740,148.96

Discounts and premiums on Provincial debenture issues are amortized in each case over the term of the related issue. The unamortized balances comprising the above total are shown in detail in the Public Accounts of Ontario for 1951-52 on page 47.

ACCOUNTS RECEIVABLE—\$10,201,669.78

This is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for uncollectible accounts and includes \$6,535,333.30 representing the surplus of the Liquor Control Board of Ontario less a provision for revenue stabilization.

The accounts receivable were submitted by Departmental Accountants. The reserves provided are considered adequate. This asset has been brought on the Balance Sheet through an adjustment to Surplus Account.

INTEREST RECEIVABLE (DUE AND ACCRUED)—\$1,160,995.22

There is owing to the Provincial Treasurer of Ontario \$3,360,995.22 for interest due and accrued on debentures of the Agricultural Development Board. A reserve of \$2,200,000.00 is provided against the \$3,360,995.22 since a deficit of some \$1,500,000.00 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectible. At the present time this reserve is considered to be adequate. This account has been brought on the Balance Sheet through an adjustment to Surplus Account.

EQUIPMENT, STORES AND MATERIALS—\$5,499,023.50

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued, as in previous years, on a basis not exceeding cost. This account has been brought on the Balance Sheet through an adjustment to Surplus Account.

LIABILITIES**FUNDED DEBT—\$670,273,500.00**

Stocks and Debentures.....	\$794,499,500.00
Less—Sinking Funds.....	125,126,000.00
	<hr/>
	\$669,373,500.00
Sandwich, Windsor and Amherstburg Railway Company Bonds, due July 1, 1961—principal assumed.....	900,000.00
	<hr/>
	<u>\$670,273,500.00</u>

The details of Stocks and Debentures outstanding at March 31, 1952, are shown in the Public Accounts for 1951-52 on page 49.

The Sinking Funds amount to \$125,126,000.00, of which \$114,275,650.00 is invested in securities and \$10,850,350.00 is held as uninvested funds. The securities held consist of issues of the Province of Ontario, the Hydro-Electric

Power Commissioner of Ontario and the Government of Canada. These have been verified by actual count. The uninvested funds have been verified from the records of the Provincial Treasurer.

UNFUNDED DEBT—\$143,886,500.41

DEMAND DEPOSITS WITH PROVINCE OF ONTARIO

SAVINGS OFFICE—\$58,501,686.53

Current deposits of \$58,452,916.20 and unclaimed balances of \$48,770.33 comprise this amount and these accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to the depositors is similar to the liability of a Chartered Bank in regard to savings deposits.

SPECIAL FUNDS—\$24,435,242.39

Details of the balances included in this amount are shown on page 50 of the Public Accounts. The liability arises primarily through the receipt of funds which are subject to future disbursement by the Province.

During the year the Ontario Public Service Superannuation Fund deposit of Uninvested Funds increased by \$2,503,800.99 to a balance of \$16,776,272.05.

The funds held for redemption of vacation with pay stamps increased by \$1,684,986.76 to a new balance at March 31, 1952, of \$6,276,290.02.

TEMPORARY LOANS—

TREASURY BILLS—\$38,000,000.00

During the fiscal year short-term loans were made by the issuance of Treasury Bills. The details of the Treasury Bills outstanding as at March 31, 1952, are shown below and in the Public Accounts for 1951-52 on page 50.

Date of Maturity	Date of Issue	Rate %	Series	Where Payable	Amount Outstanding
April 18, 1952	Dec. 18, 1951	2%	FD-2	Canada	\$ 2,000,000.00
May 7, 1952	Nov. 7, 1951	1½%	FC	Canada	5,000,000.00
May 19, 1952	Dec. 19, 1951	2%	FD-3	Canada	2,000,000.00
May 25, 1952	May 25, 1951	2% Disc.	FA	Canada	3,000,000.00
June 19, 1952	Dec. 19, 1951	2%	FE-1	Canada	15,000,000.00
Aug. 1, 1952	Aug. 1, 1951	2% Disc.	FB	Canada	1,000,000.00
Sept. 19, 1952	Dec. 19, 1951	2%	FE-2	Canada	10,000,000.00
					<u>\$38,000,000.00</u>

HOUSING CORPORATION LIMITED—\$12,906,974.11

The liabilities of Housing Corporation Limited consist mainly of a bank loan of \$12,900,000.00, secured by promissory notes guaranteed by the Province of Ontario.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—\$10,037,597.38

The liabilities of the Ontario Municipal Improvement Corporation consist mainly of a bank overdraft of \$7,035,482.24, and a bank loan for \$3,000,000.00 both guaranteed by the Province of Ontario.

MISCELLANEOUS—\$5,000.00

This account provides for certain definitive debentures now matured for which interim certificates have not been presented and for a debenture matured but not presented for payment.

ACCOUNTS PAYABLE—\$2,383,568.18

This account incorporates the value of goods received and services rendered during the year which had not been paid for as at March 31, 1952. Of the total, \$2,084,654.83 arises from timber deposits and other credit balances of the Department of Lands and Forests. This liability has been brought on the Balance Sheet through an adjustment to Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$9,684,697.58

Interest accrued but not yet due at March 31, 1952, on debentures outstanding in the hands of the public, accounts for \$9,485,986.18 of this amount. This liability has been brought on the Balance Sheet through an adjustment to Surplus Account.

RESERVES—\$2,868,111.08

A net increase in reserves of \$1,249,264.35 took place during the year. The main sources of this increase were an additional provision of \$1,000,000.00 for payments in connection with the Province's expanding housing operations and \$179,875.96 added to the Reserve for Mortgage Loans Principal and Interest of the Housing Corporation Limited.

SURPLUS—\$167,820,250.52

Surplus account has been reduced during the year by \$10,251,379.98. The principal items credited to Surplus Account during the year were Surplus on Ordinary Account \$1,061,438.91, and Sinking Fund Instalments amounting to \$34,276,000.00. During the year Surplus was charged with a net amount of \$225,706.65 relating to year end adjustments of accounts receivable and payable, stores and materials and accrued interest, and a net amount of \$979.86 on account of miscellaneous items. The following amounts were written off and charged to Surplus: Highway Capital Expenditures to October 31, 1922, \$45,212,514.10, uncollectible guaranteed principal and interest due from defaulting municipalities, \$149,618.28.

Details of the changes in Surplus Account for the year are shown in the Public Accounts for 1951-52 on page 8.

CONTINGENT LIABILITIES—\$574,479,645.83

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Municipalities, Commissions, Railways, Schools, Universities, etc., as shown in the Public Accounts for 1951-52 on pages 55-58, are in accordance with the authority granted in the governing statutes.

During the fiscal year contingent liabilities increased by \$77,622,934.85. The increase is due largely to a net increase of \$77,201,000.00 in debenture issues of the Hydro-Electric Power Commission of Ontario, a net increase of \$345,750.00 in bank loans to Co-operative Associations, a net increase of \$322,000.00 in obligations of the Ontario Northland Transportation Commission and a decrease of \$100,000.00 in the outstanding debentures of the Niagara Parks Commission.

CHARTS AND STATEMENTS

Charts indicating the changes in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ending March 31, 1952, are appended to this report on pages 28-29.

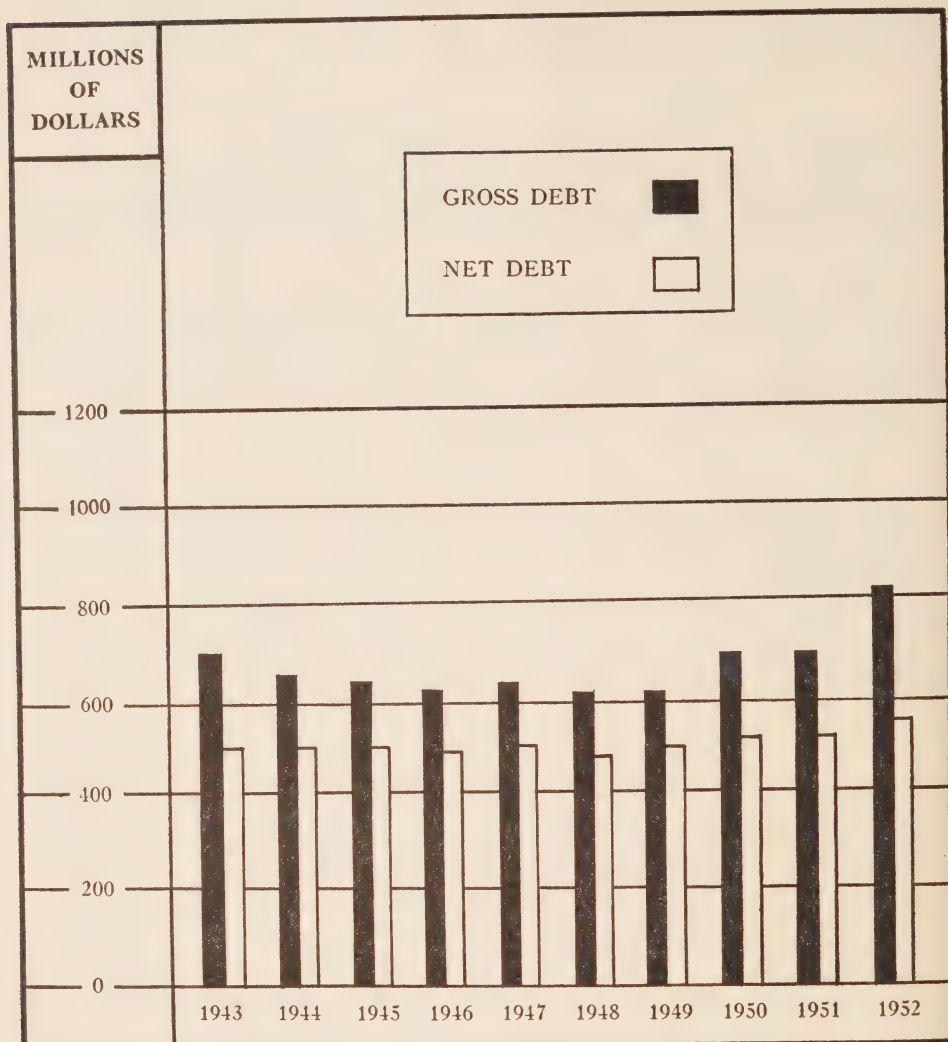
Statements showing details of the Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1952, and Special Warrants issued during the fiscal year ended March 31, 1952, are submitted in separate sections immediately following the charts referred to above.

I wish to acknowledge the courtesy and co-operation afforded to this Office by the officials and staff of the various departments, boards and commissions during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 28th, 1952.

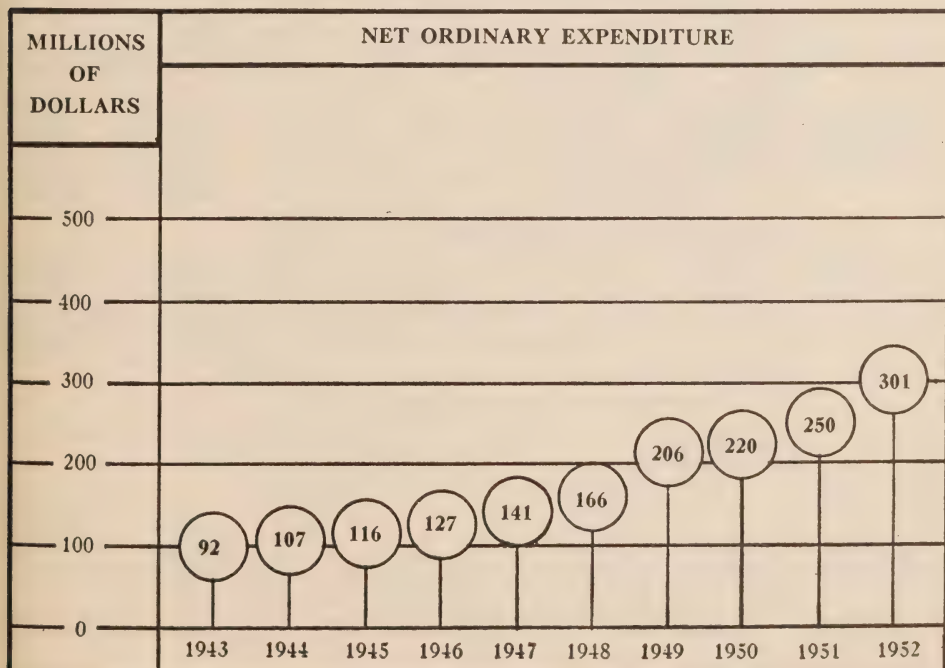
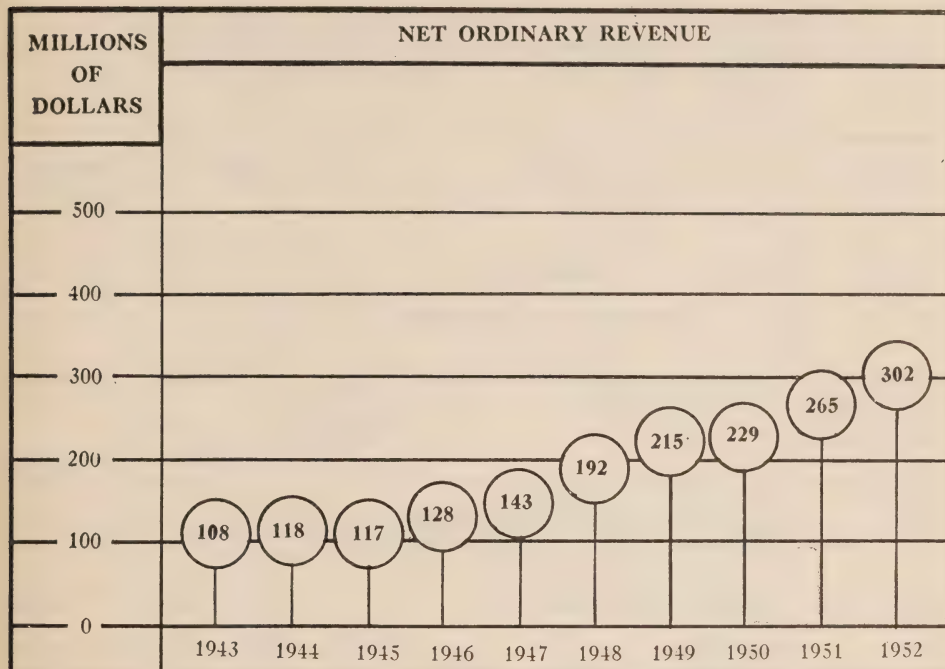
PROVINCE OF ONTARIO
GROSS AND NET PROVINCIAL DEBT
FOR THE TEN YEARS ENDED MARCH 31, 1952



Gross and Net Debt per Public Accounts

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1943	\$704,864,361.10	\$495,441,291.33
1944	666,527,963.39	482,493,563.88
1945	646,483,511.60	480,308,957.15
1946	639,315,323.52	478,419,323.59
1947	645,221,457.67	493,087,004.24
1948	628,388,019.47	466,753,485.97
1949	628,662,860.20	483,675,155.06
1950	694,009,334.65	508,819,331.50
1951	697,963,424.22	521,550,164.38
1952	826,228,266.17	554,634,803.58

PROVINCE OF ONTARIO

NET ORDINARY REVENUE AND EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1952

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS, DURING THE FISCAL YEAR ENDED MARCH 31, 1952

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Agriculture		
Apr. 17, 1952	Main Office: Compensation for Injured Workmen.....	1,500.00	1,360.24
Oct. 1, 1951	Cost of Living Bonus: Order.....	\$100,000.00	
Dec. 11, 1951	"	50,000.00	
		150,000.00	138,631.16
Apr. 17, 1952	Unemployment Insurance Stamps.....	1,000.00	217.50
Apr. 17, 1952	Agricultural and Horticultural Societies Branch: Agricultural and Horticultural Meetings, etc....	300.00	299.94
Apr. 17, 1952	Farm Labour Service Branch: Services and Expenses, etc.....	3,000.00	1,512.38
Dec. 11, 1951	Fruit Branch: Fruit Work, including expenditure under The Plant Diseases Act	24,000.00	21,408.25
Apr. 17, 1952	Live Stock Branch: Educational and Demonstration Work, etc.....	20,000.00	19,796.94
Dec. 11, 1951	Milk Control Board of Ontario: Salaries.....	1,000.00	771.60
Dec. 11, 1951	Allowances to Members of the Board.....	3,000.00	2,200.00
Dec. 11, 1951	Travelling Expenses.....	3,000.00	1,542.12
Dec. 11, 1951	Services and Expenses re Administration, etc., of The Milk Control Act.....	8,000.00	1,612.34
Apr. 17, 1952	Ontario Agricultural College, Guelph: Salaries.....	500.00	185.06
Apr. 17, 1952	Expenses.....	25,000.00	22,947.17
Apr. 17, 1952	Repairs and Alterations.....	6,000.00	5,997.20
		246,300.00	218,481.90
	Department of Attorney-General		
Dec. 11, 1951	Main Office: Maintenance: Order.....	\$3,500.00	
Mar. 26, 1952	"	1,500.00	
		5,000.00	4,973.96
Dec. 11, 1951	Cost of Living Bonus.....	195,000.00	173,907.60
Feb. 28, 1952	Workmen's Compensation Board.....	500.00	288.25
Dec. 11, 1951	Office of the Registrar of Regulations: Maintenance.....	18,000.00	13,938.47

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Attorney-General—Continued		
	Criminal Justice Accounts:		
	Counties and Cities:		
Mar. 26, 1952	Administration of Justice.....	50,000.00	49,794.42
	Medico-Legal Branch:		
Dec. 11, 1951	Salaries.....	3,000.00	1,774.92
	Public Trustee's Office:		
	Cost of Living Bonus:		
Dec. 11, 1951	Order.....	\$3,000.00	
Feb. 28, 1952	".....	1,000.00	
		4,000.00	2,935.64
	Official Guardian's Office:		
Feb. 28, 1952	Maintenance.....	1,000.00	978.65
Dec. 11, 1951	Cost of Living Bonus.....	2,000.00	712.22
	Matrimonial Causes Act:		
Mar. 26, 1952	Special Services—Children's Aid Societies....	2,500.00	1,155.00
	Accountant's Office—Supreme Court of Ontario:		
Dec. 11, 1951	Cost of Living Bonus.....	400.00	225.00
	Inspector of Legal Offices:		
	Inspector's Office:		
Dec. 11, 1951	Travelling Expenses.....	1,500.00	651.67
Dec. 11, 1951	Maintenance.....	8,000.00	7,411.16
	Toronto and York Crown Attorney's Office:		
Feb. 28, 1952	Maintenance.....	500.00	223.95
	Local Masters of Titles and Registrars of Deeds		
	Offices:		
Dec. 11, 1951	Maintenance.....	5,000.00	2,139.46
	Law Enforcement Branch:		
Feb. 28, 1952	Maintenance.....	30,000.00	28,401.38
	Ontario Securities Commission:		
Feb. 28, 1952	Salaries.....	1,500.00	748.99
	Services, Expenses, Valuations, etc.:		
Dec. 11, 1951	Order.....	\$2,000.00	
Feb. 28, 1952	".....	3,000.00	
		5,000.00	3,273.37
		332,900.00	293,534.11
	Department of Education		
	Main Office and General Departmental Expenses:		
	General Departmental Expenses:		
Apr. 17, 1952	Compensation for Injured Workmen.....	2,000.00	1,205.04
Dec. 11, 1951	Cost of Living Bonus.....	85,000.00	81,338.24
Dec. 11, 1951	Revision of Courses, Services, Travelling Ex-		
	penses, etc.....	20,000.00	5,965.18
	Public and Separate Schools Branch:		
Apr. 17, 1952	Travelling Expenses.....	350.00	312.84
	Inspection of Elementary Schools:		
	Travelling and Office Expenses:		
Feb. 11, 1952	Order.....	\$20,000.00	
Apr. 17, 1952	".....	6,500.00	
		26,500.00	25,744.58
	Vocational Education Branch:		
Dec. 11, 1951	Salaries.....	2,000.00	495.68
	Provincial Training Projects:		
Feb. 11, 1952	Training Apprentices, etc.—Salaries, Ex-	48,000.00	.....
	penses, etc.....		

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Education—Continued				
Apr. 17, 1952	Training Schools Branch: Normal Schools: Travelling Expenses	750.00		495.25	
Feb. 11, 1952	Special Services: Community Programmes: Travelling Expenses	3,000.00			
Feb. 11, 1952	Travelling and Office Expenses of District Officers	5,000.00		3,352.10	
Feb. 11, 1952	Music: Travelling Expenses	500.00		489.71	
Dec. 11, 1951	Summer Courses for Teachers: Services, Expenses, etc.	13,500.00		13,442.24	
Dec. 11, 1951	Departmental Examinations Branch: Departmental Examinations	10,000.00		8,850.20	
Feb. 28, 1952	Scholarships, Bursaries, etc.: Provincial and Dominion-Provincial Bursaries, etc.	15,000.00			
Feb. 11, 1952	Legislative Grants, etc.: General Legislative Grants	1,200,000.00		1,199,842.29	
Dec. 11, 1951	Public Libraries	5,000.00		4,933.46	
Apr. 17, 1952	Grants to Provincial and Other Universities, etc.: University of Toronto	483,000.00		483,000.00	
		1,919,600.00		1,829,466.81	
	Department of Health				
Mar. 26, 1952	Main Office: Travelling Expenses	1,500.00		832.02	
Mar. 26, 1952	Compensation for Injured Workmen	1,000.00		968.06	
Oct. 1, 1951	Cost of Living Bonus: Order \$35,000.00				
Dec. 11, 1951	" 33,000.00	68,000.00		51,523.72	
Oct. 1, 1951	Unemployment Insurance Stamps	2,000.00		1,017.88	
Dec. 11, 1951	Compensation, etc., re Tuberculosis contracted by a Workman employed in a Hospital, etc.: Order \$70,000.00				
Mar. 26, 1952	" 22,000.00	92,000.00		85,469.19	
Apr. 17, 1952	Cancer Control: Services, Travelling and Other Maintenance Expenses and Operation of Radium Emanation Plant	1,000.00		993.97	
Mar. 26, 1952	Ontario Cancer Treatment and Research Foundation, Grant	62,500.00		41,988.50	
Mar. 26, 1952	Health Units Branch: Special Health Services Authorized by the Minister, etc.	46,000.00		46,000.00	
Mar. 26, 1952	Dental Service Branch: Travelling Expenses	400.00		395.85	
Mar. 26, 1952	Grants for School Dental Services	5,000.00		4,985.14	
Mar. 26, 1952	Nurses' Registration Board: Services, Examination Board	2,700.00		2,525.15	

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Health—Continued				
Mar. 26, 1952	Epidemiological Branch: Outbreaks of Diseases, Sanitary Investigations, etc.	325,000.00		324,987.52	
Mar. 26, 1952	Tuberculosis Prevention Branch: Grants, etc.: Sanatoria.	290,500.00		289,896.67	
Mar. 26, 1952	Sanitary Engineering Branch: Travelling Expenses.	4,000.00		1,635.28	
Mar. 26, 1952	Laboratory Branch: Maintenance.	25,000.00		20,724.17	
Mar. 26, 1952	Hospitals Branch: Public and Private Hospitals Division: Grants, etc.: Public Hospitals under authority of The Public Hospitals Act.	763,000.00		744,742.77	
Mar. 26, 1952	Ontario Hospitals Division—General Expenses: Maintenance.	2,000.00		1,245.24	
Oct. 1, 1951	Cost of Living Bonus: Order.	\$225,000.00			
Dec. 11, 1951	"	250,000.00			
Mar. 26, 1952	Unemployment Insurance Stamps.	475,000.00		431,015.86	
Mar. 26, 1952	Printing and Stationery for Ontario Hospitals	5,000.00		4,677.51	
Mar. 26, 1952	Payments to Schools for Education of Chil- dren of Ontario Hospitals' Staff, etc.	20,000.00		19,547.64	
Mar. 26, 1952	Ontario Hospitals: Brockville: Maintenance.	1,000.00		974.38	
Mar. 26, 1952	Cobourg: Maintenance.	28,000.00		27,997.71	
Mar. 26, 1952	Hamilton: Salaries.	4,000.00		3,996.91	
Mar. 26, 1952	Maintenance.	12,000.00		11,759.90	
Mar. 26, 1952	Kingston: Salaries.	25,000.00		24,506.50	
Mar. 26, 1952	Maintenance.	5,000.00		80.74	
Mar. 26, 1952	Langstaff: Salaries.	30,000.00		29,999.49	
Mar. 26, 1952	New Toronto: Maintenance.	5,000.00		2,970.96	
Mar. 26, 1952	Ontario Hospital School, Orillia: Salaries.	63,000.00		62,987.48	
Mar. 26, 1952	Maintenance.	8,000.00		2,445.62	
Mar. 26, 1952	St. Thomas: Salaries.	86,000.00		85,186.16	
Mar. 26, 1952	Maintenance.	54,000.00		52,429.10	
Mar. 26, 1952	Woodstock: Salaries.	60,000.00		59,984.72	
Mar. 26, 1952		2,000.00		.....
		2,574,600.00		2,440,491.81	
	Department of Highways				
Oct. 1, 1951	Main Office: Cost of Living Bonus: Order.	\$75,000.00			
Feb. 11, 1952	"	75,000.00			
Feb. 11, 1952	Unemployment Insurance Stamps.	150,000.00		140,528.09	
		20,000.00		.....
		170,000.00		140,528.09	

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Insurance				
Mar. 26, 1952	Maintenance.....	1,500.00		1,463.05	
Mar. 26, 1952	Printing Annual Reports.....	2,500.00		2,485.33	
Feb. 11, 1952	Cost of Living Bonus.....	2,400.00		2,043.89	
		6,400.00		5,992.27	
	Department of Labour				
	Main Office:				
	Salaries:				
Dec. 11, 1951	Order.....	\$8,000.00			
Mar. 26, 1952	".....	500.00			
		8,500.00		8,028.19	
Oct. 1, 1951	Travelling Expenses.....	7,000.00		1,132.61	
Dec. 11, 1951	Maintenance.....	5,000.00		4,986.93	
Dec. 11, 1951	Advertising.....	4,000.00		2,054.24	
	Cost of Living Bonus:				
Oct. 1, 1951	Order.....	\$12,000.00			
Dec. 11, 1951	".....	15,000.00			
		27,000.00		24,971.89	
June 12, 1951	Compensation for Injured Workmen.....	1,000.00		212.20	
Oct. 1, 1951	Unemployment Insurance Stamps.....	500.00		256.14	
	Industry and Labour Board:				
	Maintenance:				
Dec. 11, 1951	Order.....	\$ 5,000.00			
Feb. 11, 1952	".....	10,000.00			
		15,000.00		11,587.23	
	Bank Commissions:				
Dec. 11, 1951	Charges for Sale and Cashing of Vacation Pay Stamps.....	10,000.00		6,421.04	
	Apprenticeship Branch:				
Feb. 11, 1952	Apprenticeship Training (Special Classes).....	25,000.00		17,708.31	
	Boiler Inspection Branch:				
Dec. 11, 1951	Salaries.....	7,000.00		5,650.11	
Feb. 28, 1952	Maintenance.....	1,000.00		999.8	
	Factory Inspection Branch:				
Dec. 11, 1951	Salaries.....	500.00		139.9	
Dec. 11, 1951	Travelling Expenses.....	1,500.00		561.2	
	Board of Examiners of Operating Engineers:				
Dec. 11, 1951	Travelling Expenses.....	1,000.00		708.6	
Dec. 11, 1951	Maintenance.....	2,000.00		1,995.0	
	Composite Inspection Branch:				
Dec. 11, 1951	Salaries.....	20,000.00		16,448.8	
Dec. 11, 1951	Travelling Expenses.....	12,000.00		5,525.8	
	Labour Relations Board:				
Dec. 11, 1951	Salaries.....	8,000.00		6,423.	
Oct. 1, 1951	Per Diem Allowances.....	6,000.00		3,500.	
Oct. 1, 1951	Travelling Expenses.....	3,000.00		1,223.	
	Maintenance:				
Oct. 1, 1951	Order.....	\$5,000.00			
Feb. 28, 1952	".....	1,000.00			
		6,000.00		5,999.	
		171,000.00		126,535	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Lands and Forests		
	Main Office:		
	Cost of Living Bonus:		
Oct. 1, 1951	Order.....	\$150,000.00	
Feb. 11, 1952	"	180,000.00	
		330,000.00	262,141.08
	Field Services:		
	Forest Research Branch:		
Mar. 26, 1952	Salaries, etc., Maintenance and Operating...	2,500.00	2,440.95
	Basic Organization—District Offices (including Provincial Parks, etc.):		
Mar. 26, 1952	Salaries.....	300,000.00	197,946.08
Mar. 26, 1952	Travelling Expenses.....	50,000.00	37,428.01
	Air Service Branch:		
Mar. 26, 1952	Travelling Expenses.....	4,000.00	3,227.41
		686,500.00	503,183.53
	Department of Mines		
	Main Office:		
Mar. 26, 1952	Fees and Expenses—Legal, Professional, Miscellaneous Services and Investigations.....	400.00	347.17
Feb. 11, 1952	Cost of Living Bonus.....	15,700.00	14,382.41
Feb. 11, 1952	Unemployment Insurance Stamps.....	500.00	314.44
	Laboratories:		
Mar. 26, 1952	Salaries, Equipment, Travelling and Other Expenses.....	15,000.00	11,910.91
	Mining Lands Branch:		
Mar. 26, 1952	Salaries, Equipment, Travelling and Other Expenses.....	3,600.00	856.77
		35,200.00	27,811.70
	Department of Municipal Affairs		
	Main Office:		
Feb. 11, 1952	Cost of Living Bonus.....	25,000.00	23,717.37
June 12, 1951	To provide for payment of a Subsidy to Stabilize the Revenue of Mining Municipalities.....	75,000.00	57,558.67
	Registrar-General's Branch:		
Feb. 11, 1952	Salaries.....	41,000.00	25,612.99
Feb. 11, 1952	Maintenance.....	8,000.00	7,728.73
		149,000.00	114,617.76
	Department of Planning and Development		
	Main Office:		
Dec. 11, 1951	Salaries.....	1,000.00	940.32
	Cost of Living Bonus:		
Oct. 1, 1951	Order.....	\$ 2,500.00	
Dec. 11, 1951	"	13,000.00	
		15,500.00	14,915.21
	Conservation Branch:		
Dec. 11, 1951	Salaries.....	4,000.00	3,424.94
		20,500.00	19,280.47

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Office of Prime Minister				
	Main Office:				
	Cost of Living Bonus:				
Oct. 1, 1951	Order.....	\$3,000.00			
Feb. 11, 1952	".....	1,000.00			
		4,000.00		3,382.01	
	Cabinet Office:				
Feb. 11, 1952	Salaries.....	1,000.00			
	Ontario Racing Commission:				
Dec. 11, 1951	Salaries.....	4,500.00		2,783.88	
Dec. 11, 1951	Travelling Expenses.....	4,000.00		3,163.96	
	Maintenance:				
July 5, 1951	Order.....	\$26,910.00			
Dec. 11, 1951	".....	12,000.00			
		38,910.00		36,004.83	
		52,410.00		45,334.68	
	Office of Provincial Auditor				
Feb. 11, 1952	Travelling Expenses.....	2,500.00		1,329.18	
Dec. 11, 1951	Cost of Living Bonus.....	4,500.00		3,949.69	
		7,000.00		5,278.87	
	Department of Provincial Secretary				
	Main Office:				
	Cost of Living Bonus:				
Oct. 1, 1951	Order.....	\$ 7,000.00			
Dec. 11, 1951	".....	10,000.00			
		17,000.00		16,546.91	
	Office of the Speaker:				
Feb. 28, 1952	Salaries.....	1,500.00		1,463.08	
Apr. 17, 1952	Travelling Expenses.....	150.00		105.01	
Feb. 28, 1952	Maintenance.....	1,000.00		926.18	
	Clerk of the Legislative Assembly:				
Feb. 28, 1952	Salaries.....	100.00		3.84	
	Sessional Requirements:				
Feb. 28, 1952	Clerks of Committees, etc., Sessional Writers, etc.	4,000.00		3,952.50	
Feb. 28, 1952	Indemnities and Allowances to Members, including Mileage.....	3,000.00		1,698.20	
Feb. 28, 1952	Hansard.....	10,000.00		9,403.04	
June 12, 1951	Committee Fees, etc.....	60,000.00		17,857.53	
	Queen's Printer:				
Feb. 28, 1952	Official Gazette.....	6,000.00		5,995.80	
	Civil Defence Committee:				
Dec. 11, 1951	Administrative Expenses, etc.....	25,000.00		17,236.00	
	Miscellaneous Requirements:				
Dec. 11, 1951	Government Hospitality Fund.....	10,000.00		6,365.90	
		137,750.00		81,554.20	

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Provincial Treasurer				
	Main Office:				
Feb. 28, 1952	Maintenance.....	7,000.00		6,701.12	
Apr. 17, 1952	Premium on Fidelity Bonds.....	5,500.00		5,297.10	
Feb. 28, 1952	Cost of Living Bonus.....	29,500.00		27,378.72	
	Bureau of Statistics and Research:				
Feb. 28, 1952	Salaries.....	3,000.00		1,876.62	
Feb. 28, 1952	Travelling Expenses.....	800.00		340.42	
Feb. 28, 1952	Maintenance.....	3,200.00		2,967.50	
	Post Office:				
Feb. 28, 1952	Maintenance.....	46,000.00		44,958.66	
		95,000.00		89,520.14	
	Department of Public Welfare				
	Main Office:				
Feb. 28, 1952	Maintenance.....	3,500.00		2,673.75	
	Cost of Living Bonus:				
Oct. 1, 1951	Order.....	\$10,000.00			
Dec. 11, 1951	".....	25,000.00			
		35,000.00		29,001.18	
	Grants:				
Dec. 11, 1951	Memorial Wreaths.....	300.00		242.25	
	Day Nurseries Branch:				
Feb. 28, 1952	Day Nurseries Upkeep Expenses.....	60,000.00		42,537.96	
	Children's Aid Branch:				
Feb. 28, 1952	Services and Expenses re Administration of The Children's Protection Act, etc.....	15,000.00		7,860.48	
	Mother's Allowances Branch:				
Feb. 28, 1952	Allowances.....	150,000.00		137,618.00	
	Homes for the Aged Branch:				
Dec. 11, 1951	Maintenance.....	6,000.00		1,923.83	
Oct. 1, 1951	Payments on Maintenance.....	100,000.00		96,845.99	
	Welfare Units Branch:				
Dec. 11, 1951	Travelling Expenses.....	10,000.00		5,904.19	
Dec. 11, 1951	Maintenance.....	600.00		313.46	
		380,400.00		324,921.09	
	Department of Public Works				
	Main Office:				
Feb. 28, 1952	Travelling Expenses.....	6,000.00		2,750.63	
Feb. 28, 1952	Maintenance.....	10,000.00		8,016.08	
	Cost of Living Bonus:				
Oct. 1, 1951	Order.....	\$26,000.00			
Dec. 11, 1951	".....	35,000.00			
		61,000.00		43,413.66	
Feb. 28, 1952	Unemployment Insurance Stamps.....	6,000.00		1,075.90	

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Public Works—Continued				
	Public Buildings—Maintenance and Repairs:				
	General Superintendence:				
Feb. 28, 1952	Services, Travelling and Other Expenses.....	3,000.00			
	Osgoode Hall:				
Feb. 28, 1952	Salaries.....	6,000.00		3,418.82	
	Miscellaneous:				
Feb. 28, 1952	Preparing and Installing Exhibits for Government Departments.....	2,000.00		1,999.53	
		94,000.00		60,674.62	
	Department of Reform Institutions				
	Main Office:				
Feb. 11, 1952	Prisoners' Rehabilitation—Grants and Expenses.	10,000.00		5,860.41	
	Cost of Living Bonus:				
Oct. 1, 1951	Order.....		\$35,000.00		
Feb. 11, 1952	".....		65,000.00		
		100,000.00		92,726.18	
	Ontario Reformatories:				
	Guelph:				
Feb. 28, 1952	Industries.....	240,000.00		105,526.62	
	Mimico:				
Mar. 26, 1952	Salaries.....	8,000.00		6,849.72	
Mar. 26, 1952	General Maintenance.....	35,000.00		34,616.84	
Dec. 11, 1951	Repairs to Buildings, etc.....	12,000.00		11,736.89	
	Brampton:				
Feb. 11, 1952	Repairs to Buildings, etc.....	6,000.00		5,992.24	
	Industrial Farms:				
	Burwash:				
Feb. 11, 1952	General Maintenance.....	115,000.00		114,695.63	
	Monteith:				
	General Maintenance:				
Feb. 11, 1952	Order.....		\$15,000.00		
Apr. 17, 1952	".....		5,000.00		
		20,000.00		19,210.12	
Feb. 11, 1952	Repairs to Buildings, etc.....	2,000.00		976.47	
	Ontario Training School for Boys:				
	Cobourg:				
Feb. 11, 1952	Salaries.....	16,000.00		12,815.60	
Dec. 11, 1951	General Maintenance.....	70,000.00		69,814.17	
	Ontario Training School for Girls				
	Galt:				
Dec. 11, 1951	General Maintenance.....	40,000.00		36,244.25	
Feb. 11, 1952	Repairs to Buildings, etc.....	3,000.00		2,976.84	
		677,000.00		520,041.98	
	Department of Travel and Publicity				
	Main Office:				
Feb. 11, 1952	Travelling Expenses.....	500.00		426.67	
Feb. 11, 1952	Maintenance.....	5,000.00		4,993.37	
Dec. 11, 1951	Cost of Living Bonus.....	6,500.00		6,496.56	
	Development Branch:				
Dec. 11, 1951	Maintenance.....	2,000.00		1,999.67	
		14,000.00		13,916.27	
	Total Ordinary Treasury Board Orders..	7,769,560.00		6,861,165.51	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
	CAPITAL	\$ c.	\$ c.
	Department of Labour		
Oct. 1, 1951	Industry and Labour Board: Payment of Claims re Vacation with Pay Stamps	1,000,000.00	935,469.81
	Department of Public Works		
	Miscellaneous:		
Dec. 11, 1951	Aid: Remedial Works to alleviate flooding conditions, erosion of farm lands and other damages.....	35,000.00	.....
	Total Capital Treasury Board Orders . . .	1,035,000.00	935,469.81
	Total Treasury Board Orders	8,804,560.00	7,796,633.32

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR
ENDED MARCH 31, 1952

DATE OF WARRANT	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	ORDINARY				
	Department of Agriculture				
Sept. 20, 1951	Grants to Community Centres in Unorganized Districts.....	30,000.00		18,100.00	
Jan. 24, 1952	Grant to Lakeshore Swimming Club Inc. that has constructed from Public Subscriptions and a Municipal Grant a Swimming Pool as a Community Centre located at the Town of New Toronto.....	5,000.00		5,000.00	
Feb. 7, 1952	Grant to the Treasurer of the Townships of Anson, Hindon and Minden in the Provisional County of Haliburton for Minden Community Centre located at Minden.....	5,000.00		5,000.00	
		40,000.00		28,100.00	
	Department of Attorney-General				
Oct. 25, 1951	Payments on behalf of the Crown for the Cost of Plans required under The Registry Act, R.S.O. 1950, Chap. 336, Sec. 92 (17).....	10,000.00		9,191.30	
	Department of Education				
July 26, 1951	Special Grant to Ontario College of Art to defray the cost of adapting Glendon Hall to the purposes of Art Instruction and effecting the removal of the College of Art equipment from the Nassau Street Public School, and other temporary quarters, to Glendon Hall.....	30,000.00		30,000.00	
Aug. 23, 1951	Office Expenses for Resident Secondary School Inspectors.....	2,000.00		627.50	
Sept. 27, 1951	Honorarium, Secretarial and Travelling Expenses of a Consultant to the Department, with respect to University affairs, including the distribution of Federal Grants.....	3,500.00		3,187.91	
		35,500.00		33,815.41	
	Department of Health				
Oct. 4, 1951	Grant to the Parry Sound General Hospital, Parry Sound, Ontario, for the replacement of a boiler destroyed by an accidental explosion.....	8,000.00		8,000.00	
Nov. 29, 1951	Special Grant to the Parry Sound General Hospital, Parry Sound, Ontario.....	4,000.00		4,000.00	

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Health		
	Assistance to meet the cost of Erecting a Nurses' Residence at the Wellesley Division of the Toronto General Hospital:		
Jan. 3, 1952	Warrant.....	\$250,000.00	
Jan. 17, 1952	"	200,000.00	
		450,000.00	423,799.36
Jan. 31, 1952	Special Grant to the Victoria Hospital, Renfrew, Ontario.....	66,049.00	66,049.00
Feb. 20, 1952	Special Grant to the Camp Ouendake Foundation, Incorporated, of Toronto, Ontario.....	5,000.00	5,000.00
		533,049.00	506,848.36
	Office of Prime Minister		
Apr. 19, 1951	Grant to the Civil Service Association of Ontario...	20,000.00	20,000.00
Oct. 11, 1951	Grant to H.M.C.S. Ontario.....	500.00	500.00
Feb. 7, 1952	Accounts incurred in sending One Million Cigarettes to His Majesty's Forces in Korea and Europe for Christmas.....	4,250.00	4,210.56
		24,750.00	24,710.56
	Department of Provincial Secretary		
Feb. 20, 1952	Expenses in connection with the Standardization Programme of Fire Hose Couplings and Allied Fittings, in the Province of Ontario.....	200,000.00	194,804.58
	Department of Public Welfare		
	Payment of Nursing Services for the Quadruplets born on October 13, 1949, to Mr. and Mrs. C. O. Hargreaves of Sault Ste. Marie, Ontario:		
Apr. 19, 1951	Warrant.....	\$360.00	
Feb. 20, 1952	"	240.00	
		600.00	600.00
May 30, 1951	University of Toronto, School of Social Work, for a Training Programme and Bursaries for Social Workers in the Province of Ontario.....	10,000.00	10,000.00
		10,600.00	10,600.00
	Department of Public Works		
Sept. 20, 1951	Expenses in connection with the visit of Their Royal Highnesses, Princess Elizabeth and Duke of Edinburgh.....	60,000.00	40,879.74
	Department of Reform Institutions		
Apr. 26, 1951	Grant to the St. John's Training School, Toronto, Ontario, for the purpose of assisting in the Purchase of Land, Equipment, and the construction of New Buildings.....	375,000.00	375,000.00

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Travel and Publicity		
Apr. 19, 1951	Expenses of administering The Leasehold Regulations Act, 1951, including the Office Accommodation, Furniture, Equipment, Supplies and the Salaries and Travelling Expenses of the staff of the Ontario Rentals Administration.....	500,000.00	397,010.02
	Total Special Warrants	1,788,899.00	1,620,959.97



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PROVINCIAL AUDITOR'S REPORT

1952-53

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO

TORONTO

Printed and Published by Baptist Johnston
Printer to the Queen's Most Excellent Majesty

1954



PROVINCIAL AUDITOR'S REPORT

1952-53

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
SESSIONAL PAPER No. 3, 1954



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1954

TO THE HONOURABLE LOUIS ORVILLE BREITHAAPT, LL.D.,
Lieutenant-Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1953, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
November 24th, 1953.



REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1953, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1952 - 1953

I have the honour to report to the Legislative Assembly, on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1953, in accordance with the requirements of The Audit Act.

The Balance Sheet of the Province of Ontario as at March 31, 1953, the Statements of Revenue and Expenditure for the year ended on that date and other related statements, published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion, and according to the best of my information and the explanations given to me, and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1953, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

Following the practice of previous years the cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been used, and the Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1953, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1952-53

The statements which follow summarize the operating results for the fiscal year ended March 31, 1953. The Honourable Leslie M. Frost, Q.C., LL.D., Treasurer of the Province of Ontario, in his address to the Legislative Assembly of Ontario, on March 20, 1952, presented budget forecasts of ordinary revenue and expenditure and of capital receipts and payments for the fiscal year ended March 31, 1953, and in his budget address on March 12, 1953, presented interim statements of ordinary revenue and expenditure and of capital receipts and payments for the same fiscal year, consisting of ten months' actual results and two months' forecast.

These budget forecasts and interim statements are shown in conjunction with the actual figures for purposes of comparison.

COMPARATIVE SUMMARY
BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1952, TO MARCH 31, 1953

	BUDGET	ACTUAL	ACTUAL OVER BUDGET
Net Ordinary Revenue.....	\$291,073,000.00	\$349,500,385.36	\$58,427,385.36
Less: Net Ordinary Expenditure (before providing for Sinking Funds).....	281,626,000.00	317,540,514.15	35,914,514.15
Surplus (before providing for Sinking Funds) \$	9,447,000.00	\$ 31,959,871.21	\$22,512,871.21
Less: Provision for Sinking Funds.....	9,359,000.00	30,859,000.00	21,500,000.00
Surplus.....	\$ 88,000.00	\$ 1,100,871.21	\$ 1,012,871.21

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1952, TO MARCH 31, 1953**

	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture.....	\$ 815,000.00	\$ 947,963.92	\$ 132,963.92	\$
Attorney-General.....	2,499,000.00	3,138,215.35	639,215.35	
Education.....	1,705,000.00	2,142,320.72	437,320.72	
Health.....	4,311,000.00	3,722,907.45		588,092.55
Highways:				
Main Office.....	30,000.00	25,053.17		4,946.83
Gasoline Tax Branch..	75,000,000.00	77,698,592.56	2,698,592.56	
Motor Vehicles Branch	21,000,000.00	24,839,616.46	3,839,616.46	
	<u>\$ 96,030,000.00</u>	<u>\$102,563,262.19</u>	<u>\$ 6,538,209.02</u>	<u>\$ 4,946.83</u>
Insurance.....	\$ 311,000.00	\$ 365,525.36	\$ 54,525.36	\$
Labour.....	246,000.00	293,155.60	47,155.60	
Lands and Forests.....	18,175,000.00	20,621,374.56	2,446,374.56	
Mines.....	4,574,000.00	5,084,065.99	510,065.99	
Municipal Affairs.....	435,000.00	446,611.06	11,611.06	
Prime Minister.....	70,000.00	94,627.81	24,627.81	
Provincial Secretary.....	655,000.00	935,055.46	280,055.46	
Provincial Treasurer:				
Main Office—				
Subsidy.....	3,641,000.00	3,640,939.68		60.32
Interest.....	71,000.00	71,016.76	16.76	
Miscellaneous.....		19,804.12	19,804.12	
Liquor Control Board—				
Profits.....	36,000,000.00	44,000,000.00	8,000,000.00	
Transfer Fees.....	600,000.00	745,036.90	145,036.90	
Public Utilities Tax...	670,000.00	474,195.00		195,805.00
Controller of Revenue Br.:				
Tax Rental Agreemt.		123,327,363.08	123,327,363.08	
Corporations Tax..	89,000,000.00			89,000,000.00
Succession Duty...	16,000,000.00	19,821,339.75	3,821,339.75	
Hospitals Tax....	6,000,000.00	6,667,475.39	667,475.39	
Race Tracks Tax..	4,000,000.00	3,639,624.30		360,375.70
Land Transfer Tax	1,800,000.00	2,048,882.23	248,882.23	
Security Transfer Tax	1,200,000.00	1,846,159.92	646,159.92	
Logging Tax.....	500,000.00	827,038.44	327,038.44	
Law Stamps.....	800,000.00	932,931.30	132,931.30	
Miscellaneous.....		11,076.71	11,076.71	
Motion Picture Censor-				
ship and Theatre				
Inspection Branch.	262,000.00	275,344.15	13,344.15	
	<u>\$160,544,000.00</u>	<u>\$208,348,227.73</u>	<u>\$137,360,468.75</u>	<u>\$89,556,241.02</u>
Public Welfare.....	\$	\$ 8,290.48	\$ 8,290.48	\$
Public Works.....	37,000.00	65,378.01	28,378.01	
Reform Institutions.....	566,000.00	531,766.51		34,233.49
Travel and Publicity.....		69,791.25	69,791.25	
Stationery Account.....		121,845.91	121,845.91	
Miscellaneous.....	100,000.00			100,000.00
	<u>\$291,073,000.00</u>	<u>\$349,500,385.36</u>	<u>\$148,710,899.25</u>	<u>\$90,283,513.89</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1952, TO MARCH 31, 1953**

	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 8,592,000.00	\$ 8,291,325.50	\$	\$ 300,674.50
Attorney-General.....	10,200,000.00	10,186,423.36		13,576.64
Education.....	72,143,000.00	75,702,632.66	3,559,632.66	
Health.....	42,921,000.00	50,669,320.01	7,748,320.01	
Highways.....	54,000,000.00	87,391,603.83	33,391,603.83	
Insurance.....	145,000.00	145,942.53	942.53	
Labour.....	1,474,000.00	1,466,481.70		7,518.30
Lands and Forests.....	12,500,000.00	11,486,280.94		1,013,719.06
Lieutenant-Governor.....	20,000.00	17,479.96		2,520.04
Mines.....	1,050,000.00	979,793.70		70,206.30
Municipal Affairs.....	9,293,000.00	7,810,509.91		1,482,490.09
Planning and Development.....	1,850,000.00	1,864,826.39	14,826.39	
Prime Minister.....	282,000.00	251,719.11		30,280.89
Provincial Auditor.....	248,000.00	234,989.81		13,010.19
Provincial Secretary.....	1,414,000.00	1,439,221.70	25,221.70	
Provincial Treasurer.....	4,538,000.00	4,459,658.48		78,341.52
Public Welfare.....	25,842,000.00	21,963,966.73		3,878,033.27
Public Works.....	4,657,000.00	4,312,269.10		344,730.90
Reform Institutions.....	5,855,000.00	5,562,632.76		292,367.24
Travel and Publicity.....	1,495,000.00	1,259,893.09		235,106.91
Miscellaneous.....	100,000.00			100,000.00
	<u>\$258,619,000.00</u>	<u>\$295,496,971.27</u>	<u>\$44,740,547.12</u>	<u>\$7,862,575.85</u>
Public Debt:				
Interest, Exchange, etc..	23,007,000.00	22,043,542.88		963,457.12
Sinking Fund Instalments	9,359,000.00	30,859,000.00	21,500,000.00	
	<u>\$290,985,000.00</u>	<u>\$348,399,514.15</u>	<u>\$66,240,547.12</u>	<u>\$8,826,032.97</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1952, TO MARCH 31, 1953**

	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Highways.....	\$ 755,000.00	\$ 1,637,791.20	\$ 882,791.20	\$
Labour.....	9,500,000.00	9,537,069.88	37,069.88	
Lands and Forests.....	3,175,000.00	2,526,150.57		648,849.43
Mines.....	75,000.00	91,374.86	16,374.86	
Planning and Development.....		92,332.49	92,332.49	
Provincial Secretary.....	4,191,000.00	4,937,817.73	746,817.73	
Provincial Treasurer.....	24,732,000.00	93,511,078.53	68,779,078.53	
Public Welfare.....		1,233.25	1,233.25	
Public Works.....		112,159.26	112,159.26	
	<u>\$ 42,428,000.00</u>	<u>\$112,447,007.77</u>	<u>\$70,667,857.20</u>	<u>\$ 648,849.43</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL PAYMENTS
FOR THE FISCAL YEAR APRIL 1, 1952, TO MARCH 31, 1953**

	BUDGET CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 11,250,000.00	\$ 8,958,749.00	\$	\$ 2,291,251.00
Health.....	2,000,000.00	2,000,000.00		
Highways.....	45,000,000.00	64,358,229.25	19,358,229.25	
Labour.....	9,500,000.00	8,888,680.85		611,319.15
Lands and Forests.....	1,900,000.00	1,654,781.54		245,218.46
Mines.....	1,000,000.00	870,568.41		129,431.59
Planning and Development	7,500,000.00	2,096,939.52		5,403,060.48
Provincial Secretary.....	2,150,000.00	1,929,429.08		220,570.92
Provincial Treasurer.....	2,924,000.00	50,960,446.28	48,036,446.28	
Public Welfare.....		3,280.58	3,280.58	
Public Works.....	19,525,000.00	9,698,336.87		9,826,663.13
Miscellaneous.....	150,000.00	95,759.54		54,240.46
	<u>\$102,899,000.00</u>	<u>\$151,515,200.92</u>	<u>\$67,397,956.11</u>	<u>\$18,781,755.19</u>

COMPARATIVE SUMMARY

**NET INTERIM * AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDI-
TURE FOR THE FISCAL YEAR APRIL 1, 1952, TO MARCH 31, 1953**

	INTERIM	ACTUAL	ACTUAL OVER INTERIM
Net Ordinary Revenue.....	\$341,418,000.00	\$349,500,385.36	\$8,082,385.36
Less: Net Ordinary Expenditure (before providing for Sinking Funds).....	323,492,000.00	317,540,514.15	5,951,485.85
Surplus (before providing for Sinking Funds)..	\$ 17,926,000.00	\$ 31,959,871.21	\$14,033,871.21
Less: Provision for Sinking Funds.....	17,859,000.00	30,859,000.00	13,000,000.00
Surplus.....	\$ 67,000.00	\$ 1,100,871.21	\$1,033,871.21

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1952, TO MARCH 31, 1953**

	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 956,000.00	\$ 947,963.92	\$ 233,215.35	\$ 8,036.08
Attorney-General.....	2,905,000.00	3,138,215.35	437,320.72	
Education.....	1,705,000.00	2,142,320.72	294,907.45	
Health.....	3,428,000.00	3,722,907.45		
Highways:				
Main Office.....	30,000.00	25,053.17		4,946.83
Gasoline Tax Branch....	76,800,000.00	77,698,592.56	898,592.56	
Motor Vehicles Branch...	22,250,000.00	24,839,616.46	2,589,616.46	
	<u>\$ 99,080,000.00</u>	<u>\$102,563,262.19</u>	<u>\$ 3,488,209.02</u>	<u>\$ 4,946.83</u>
Insurance.....	\$ 342,000.00	\$ 365,525.36	\$ 23,525.36	\$
Labour.....	271,000.00	293,155.60	22,155.60	
Lands and Forests.....	20,500,000.00	20,621,374.56	121,374.56	
Mines.....	5,271,000.00	5,084,065.99		186,934.01
Municipal Affairs.....	452,000.00	446,611.06		5,388.94
Planning and Development...	3,000.00			3,000.00
Prime Minister.....	95,000.00	94,627.81		372.19
Provincial Secretary.....	848,000.00	935,055.46	87,055.46	
Provincial Treasurer:				
Main Office—				
Subsidy.....	3,641,000.00	3,640,939.68		60.32
Interest.....	71,000.00	71,016.76	16.76	
Miscellaneous.....	20,000.00	19,804.12		195.88
Liquor Control Board—				
Profits.....	42,000,000.00	44,000,000.00	2,000,000.00	
Transfer Fees.....	750,000.00	745,036.90		4,963.10
Public Utilities Tax.....	670,000.00	474,195.00		195,805.00
Controller of Revenue Br:				
Tax Rental Agreement	123,327,000.00	123,327,363.08	363.08	
Succession Duty.....	18,500,000.00	19,821,339.75	1,321,339.75	
Hospitals Tax.....	6,500,000.00	6,667,475.39	167,475.39	
Race Tracks Tax.....	3,640,000.00	3,639,624.30		375.70
Land Transfer Tax...	2,000,000.00	2,048,882.23	48,882.23	
Security Transfer Tax.	1,762,000.00	1,846,159.92	84,159.92	
Logging Tax.....	850,000.00	827,038.44		22,961.56
Law Stamps.....	900,000.00	932,931.30	32,931.30	
Miscellaneous.....	1,000.00	11,076.71	10,076.71	
Motion Picture Censorship and Theatre Inspection Branch.....	268,000.00	275,344.15	7,344.15	
	<u>\$204,900,000.00</u>	<u>\$208,348,227.73</u>	<u>\$ 3,672,589.29</u>	<u>\$ 224,361.56</u>
Public Welfare.....	\$ 10,000.00	\$ 8,290.48	\$	\$ 1,709.52
Public Works.....	81,000.00	65,378.01		15,621.99
Reform Institutions.....	508,000.00	531,766.51	23,766.51	
Travel and Publicity.....	63,000.00	69,791.25	6,791.25	
Stationery Account.....		121,845.91	121,845.91	
	<u>\$341,418,000.00</u>	<u>\$349,500,385.36</u>	<u>\$ 8,532,756.48</u>	<u>\$ 450,371.11</u>

*10 months' actual—2 months' forecast.

COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1952, TO MARCH 31, 1953

	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 8,348,000.00	\$ 8,291,325.50	\$	\$ 56,674.50
Attorney-General.....	10,285,000.00	10,186,423.36		98,576.64
Education.....	76,016,000.00	75,702,632.66		313,367.34
Health.....	52,352,000.00	50,669,320.01		1,682,679.99
Highways.....	89,900,000.00	87,391,603.83		2,508,396.17
Insurance.....	149,000.00	145,942.53		3,057.47
Labour.....	1,463,000.00	1,466,481.70	3,481.70	
Lands and Forests.....	11,610,000.00	11,486,280.94		123,719.06
Lieutenant-Governor.....	18,000.00	17,479.96		520.04
Mines.....	1,017,000.00	979,793.70		37,206.30
Municipal Affairs.....	7,298,000.00	7,810,509.91	512,509.91	
Planning and Development.....	1,827,000.00	1,864,826.39	37,826.39	
Prime Minister.....	250,000.00	251,719.11	1,719.11	
Provincial Auditor.....	246,000.00	234,989.81		11,010.19
Provincial Secretary.....	1,454,000.00	1,439,221.70		14,778.30
Provincial Treasurer.....	4,516,000.00	4,459,658.48		56,341.52
Public Welfare.....	22,681,000.00	21,963,966.73		717,033.27
Public Works.....	4,583,000.00	4,312,269.10		270,730.90
Reform Institutions.....	5,871,000.00	5,562,632.76		308,367.24
Travel and Publicity.....	1,268,000.00	1,259,893.09		8,106.91
Stationery Account.....	30,000.00			30,000.00
	<u>\$301,182,000.00</u>	<u>\$295,496,971.27</u>	<u>\$ 555,537.11</u>	<u>\$6,240,565.84</u>
Public Debt—				
Interest, Exchange, etc..	22,310,000.00	22,043,542.88		266,457.12
Sinking Fund Instalments	17,859,000.00	30,859,000.00	13,000,000.00	
	<u>\$341,351,000.00</u>	<u>\$348,399,514.15</u>	<u>\$13,555,537.11</u>	<u>\$6,507,022.96</u>

*10 months' actual—2 months' forecast.

COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1952, TO MARCH 31, 1953

	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Highways.....	\$ 1,547,000.00	\$ 1,637,791.20	\$ 90,791.20	\$
Labour.....	9,276,000.00	9,537,069.88	261,069.88	
Lands and Forests.....	2,470,000.00	2,526,150.57	56,150.57	
Mines.....	93,000.00	91,374.86		1,625.14
Planning and Development.....	82,000.00	92,332.49	10,332.49	
Provincial Secretary.....	4,710,000.00	4,937,817.73	227,817.73	
Provincial Treasurer.....	82,024,000.00	93,511,078.53	11,487,078.53	
Public Welfare.....		1,233.25	1,233.25	
Public Works.....	296,000.00	112,159.26		183,840.74
	<u>\$100,498,000.00</u>	<u>\$112,447,007.77</u>	<u>\$12,134,473.65</u>	<u>\$ 185,465.88</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
PAYMENTS FOR THE FISCAL YEAR APRIL 1, 1952, TO MARCH 31, 1953**

	NET INTERIM CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 9,990,000.00	\$ 8,958,749.00	\$	\$ 1,031,251.00
Health.....	2,000,000.00	2,000,000.00		
Highways.....	69,230,000.00	64,358,229.25		4,871,770.75
Labour.....	8,890,000.00	8,888,680.85		1,319.15
Lands and Forests.....	1,680,000.00	1,654,781.54		25,218.46
Mines.....	800,000.00	870,568.41	70,568.41	
Planning and Development.....	3,500,000.00	2,096,939.52		1,403,060.48
Provincial Secretary.....	2,003,000.00	1,929,429.08		73,570.92
Provincial Treasurer.....	50,843,000.00	50,960,446.28	117,446.28	
Public Welfare.....		3,280.58	3,280.58	
Public Works.....	13,950,000.00	9,698,336.87		4,251,663.13
Miscellaneous.....	86,000.00	95,759.54	9,759.54	
	<u>\$162,972,000.00</u>	<u>\$151,515,200.92</u>	<u>\$ 201,054.81</u>	<u>\$11,657,853.89</u>

*10 months' Actual—2 months' forecast.

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1953, showing the percentage of each item to the total, classified by major categories, is presented in the following statement.

**PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1953**

NET ORDINARY REVENUE

		%
Tax Rental Agreement.....	\$123,327,363.08	35.29
Gasoline Tax.....	77,647,917.63	22.22
Liquor Profits, Fines, Transfer Fees, etc.....	44,745,036.90	12.80
Motor Vehicle Licenses and Fees, etc.....	24,839,616.46	7.11
Succession Duty.....	19,821,339.75	5.67
Timber Dues, Bonus, etc.....	15,117,700.87	4.32
Hospitals Tax.....	6,667,475.39	1.91
Mines Profit Tax.....	4,377,162.82	1.25
Government of Canada—Annual Subsidies.....	3,640,939.68	1.04
Race Track Betting Tax.....	3,639,624.30	1.04
Fish and Wildlife Licenses, Royalties, etc.....	3,409,915.18	.98
All other revenues.....	22,266,293.30	6.37
	<u>\$349,500,385.36</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE

		%
Highway Maintenance, Grants, etc.....	\$ 87,391,603.83	25.08
Education.....	75,702,632.66	21.73
Public Debt:		
Interest, etc.....	\$22,043,542.88	
Sinking Fund Instalments.....	30,859,000.00	
	<u>52,902,542.88</u>	<u>15.19</u>
Health Services.....	50,669,320.01	14.54
Public Welfare.....	21,963,966.73	6.30
Conservation of Forests, Fish and Wildlife.....	11,486,280.94	3.30
Law Enforcement.....	10,186,423.36	2.92
Agricultural Services, Grants, etc.....	8,291,325.50	2.38
Reform Institutions.....	5,562,632.76	1.60
Subsidy paid re Police and Fire Departments.....	4,386,518.10	1.26
All other expenditures.....	19,856,267.38	5.70
	<u>\$348,399,514.15</u>	<u>100.00</u>

Estimated gross expenditure for the year as shown on page 5 of the 1953 estimates was \$413,627,000.00. This amount does not include a supplementary estimate of \$20,000,000.00 voted by the Legislature at the second session 1952, and \$21,500,000.00 voted at the first session 1953. Taking the supplementary estimates into account the total estimates for the year amount to \$455,127,000.00. The actual gross expenditure was \$518,885,702.32, a net increase of \$63,758,702.32. The following analysis summarizes the net increase in gross actual over total estimated gross expenditure.

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1953**

CLASSIFICATION	TOTAL ESTIMATED	GROSS ACTUAL	GROSS ACTUAL UNDER ESTIMATED	GROSS ACTUAL OVER ESTIMATED
Ordinary:				
Voted—				
Main Estimate.....	\$195,980,600.00			
First Supplementary.....	20,000,000.00			
Second Supplementary.....	21,500,000.00			
	<u>\$237,480,600.00</u>	<u>\$228,651,166.99</u>	<u>\$8,829,433.01</u>	
Statutory.....	108,227,400.00	133,360,834.97		\$25,133,434.97
Special Warrants.....		94,318.66		94,318.66
	<u>\$345,708,000.00</u>	<u>\$362,106,320.62</u>	<u>\$8,829,433.01</u>	<u>\$25,227,753.63</u>
Capital:				
Voted—				
Main Estimate.....	\$43,246,000.00	\$28,608,588.57	\$14,637,411.43	
Statutory.....	66,173,000.00	128,170,793.13		\$61,997,793.13
	<u>\$109,419,000.00</u>	<u>\$156,779,381.70</u>	<u>\$14,637,411.43</u>	<u>\$61,997,793.13</u>
Total Expenditure.....	<u>\$455,127,000.00</u>	<u>\$518,885,702.32</u>	<u>\$23,466,844.44</u>	<u>\$87,225,546.76</u>

**Summary of Net Decreases or Increases in Gross Actual as compared
with Total Estimated Gross Expenditure**

CLASSIFICATION	DECREASE	INCREASE
Voted.....	\$23,466,844.44	
Statutory.....		\$87,131,228.10
Special Warrants.....		94,318.66
	<u>\$23,466,844.44</u>	<u>\$87,225,546.76</u>

The net decreases or increases in gross actual as compared with total estimated gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED

The Legislative Assembly authorized expenditure appropriations for the fiscal year under review in the amount of \$280,726,600.00, comprised of \$237,480,600.00 ordinary account and \$43,246,000.00 capital account. Actual gross expenditure charged to appropriations amounted to \$257,259,755.56, comprised of \$228,651,166.99 ordinary account and \$28,608,588.57 capital

account. Thus the total actual gross expenditure charged to appropriations authorized was \$23,466,844.44 less than the total amount authorized. In all cases where the actual expenditure exceeded the original appropriation, the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$5,275,929.00 comprising \$4,925,929.00 ordinary account and \$350,000.00 capital account with actual expenditure relative thereto amounting to \$3,603,567.05 all of which applied to ordinary. These expenditures are included in the total gross expenditure of \$257,259,755.56 referred to above and are not in addition thereto.

Full details of treasury board orders issued and the amounts expended under this authority will be found on pages 32-40, of this report.

STATUTORY

The Estimates presented for the year 1952-53 forecast \$174,400,400.00 gross expenditure under statutory authority. This amount was divided \$108,227,400.00 to ordinary expenditure and \$66,173,000.00 to capital purposes. Actual gross statutory expenditure amounted to \$261,531,628.10 consisting of \$133,360,834.97 ordinary expenditure and \$128,170,793.13 capital expenditure excluding loan maturities and sinking fund investments. The actual total gross statutory outlay exceeded the estimate by \$87,131,228.10. This is the result of actual gross ordinary statutory expenditure exceeding the estimate by \$25,133,434.97 and actual gross capital statutory payments being \$61,997,793.13 in excess of the estimate. The excess of \$25,133,434.97 in gross ordinary statutory expenditure over the estimate is accounted for by additional Sinking Fund instalments of \$21,500,000.00 made in respect of debenture issues, a net increase of \$3,967,038.54 in Highways' gross ordinary statutory expenditure and a net decrease of \$333,603.57 in all other items of gross ordinary statutory expenditure.

The total gross outlay on capital statutory account exceeded the related estimates by \$61,997,793.13. This difference arises as follows:

PAYMENTS OVER THE ESTIMATE:

Highways.....	\$19,658,229.25
Provincial Treasurer:	
Special Advance, Hydro-Electric Power Commission of Ontario.....	50,000,000.00
Miscellaneous.....	137,446.28
	<u>\$69,795,675.53</u>

PAYMENTS UNDER THE ESTIMATE:

Agriculture:	
Bonus for Rural Primary and Secondary Lines.....	\$ 2,174,251.00
Planning and Development Housing Branch.....	5,403,060.48
Provincial Secretary:	
Public Service Superannuation Fund, etc.....	220,570.92
	<u>\$ 7,797,882.40</u>

DIFFERENCE.....	<u>\$61,997,793.13</u>
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SPECIAL WARRANTS

During the year expenditure in the amount of \$94,318.66, was made through special warrants under authority of subsection 3, section 13, of The Audit Act. The main item was for special grants to the Sudbury and Algoma Sanatorium Association, amounting to \$77,651.16.

Full details of special warrants authorized and the amounts expended will be found on page 41 of this report.

GENERAL

I refer hereunder to certain matters relating to the operations of the year 1953.

During the year gross capital expenditures on King's Highways, Development Roads and Municipal Roads Subsidies amounted to \$63,144,206.16, which is an increase of \$14,618,938.99 over 1952, and in addition \$870,568.41 was spent on Mining Roads.

A special advance of \$50,000,000.00 was made to the Hydro-Electric Power Commission of Ontario and is secured by Bonds of the Commission in an equivalent amount, as described more fully in the comments concerning Assets in a subsequent section of this report.

Capital payments were made to the Hydro-Electric Power Commission of Ontario in the amount of \$8,825,749.00 to assist in rural electrification projects. This was a decrease of \$1,397,987.00 under 1952.

Public Works and Buildings were added to during the year by the capital expenditure of \$8,381,024.87 and General Works and Improvements by the capital expenditure of \$1,317,312.00.

Sinking Fund instalments of \$30,859,000.00 were provided through Ordinary Account.

Contributions by the Province to the Teachers' Superannuation Fund and the Public Service Superannuation Fund amounted to \$3,550,808.69 and \$1,561,018.26 respectively, in accordance with the requirements of the respective enactments relative thereto.

In addition, a payment of \$1,000,000.00 was made by the Province to the Teachers' Superannuation Fund as a special contribution of a portion of the amount by which the estimated liabilities exceed the assets of the Fund. This procedure is of value in building up the assets of the fund, but should be based on a considered plan which would provide for the funding of the reported deficit in the Fund over a specified period of time, as recommended by the Actuary in his report on the Fund dated June 30, 1951. My report for 1951-52 contains comments on the Actuary's report and also gives his recommendations for the minimum steps to be taken to place the Teachers' Superannuation Fund in order. The seriousness of the unsatisfactory condition of the Teachers' Superannuation Fund must be again emphasized.

The actuarial valuation of the Public Service Superannuation Fund is nearing completion and a report is expected before the end of the present fiscal year.

In my opinion and as stated in previous reports, the receipts of both the Teachers' Superannuation Fund and the Public Service Superannuation Fund composed of contributions from employees, together with contributions from the Government, Boards, Commissions and Municipalities and interest earned, are insufficient to meet the actuarial requirements of the Funds.

While this condition continues, the deficits in the Funds will continue to increase. A study of the present basis of making contributions to the Funds should be undertaken without delay. The present practice relieves the expenditure of the current fiscal year at the expense of the expenditures of future fiscal years.

I again strongly recommend that the Province adopt the principle of providing in full for future superannuation benefits in the year in which the service which gives rise to the right thereto is rendered.

AUDIT OF REVENUE

Examinations have been made of the revenues of various departments in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures considered necessary. A review was made of the internal control and accounting methods in operation in the various Departments. Comprehensive reports on the examinations were presented to the Ministers of the Departments concerned and to Officials of Boards and Commissions. As a result of these examinations I am of the opinion that the revenues of the Province are being fully accounted for.

A continuous audit is maintained of the revenues of the Province.

As a result of recommendations made in my previous reports a survey of the rates charged civil servants for houses, rooms, meals, etc., was undertaken and is nearing completion. Some of the rates charged have been revised upwards and others are in the process of assessment. The length of time required to effect a revision in these rates does not look too creditable on the part of some Departments. This task was well within the capacity of all Departments to carry out promptly if there was the will. That, of course, was the difficulty. The will was lacking.

For the past two years I have recommended that a review be made of the various fees charged in all Departments, for the purpose of making sure that the rates currently charged are providing a fair return for the services rendered and privileges granted. During the current year the Comptroller of Revenue has commenced a survey of service and license fees charged and reports that progress has been made.

AUDIT OF EXPENDITURE

In accordance with the requirements of The Audit Act, an audit has been maintained of the expenditures of the Province made during the fiscal year ended March 31, 1953.

Under authority granted to the Auditor in section 11 of The Audit Act some vouchers were admitted as satisfactory after audit tests had been performed. The nature and extent of the tests were determined in the light of experience after giving consideration to the accounting and internal control organization of the Department concerned.

In some Departments toward the close of the fiscal year it is found that various appropriations indicate a balance unexpended. The concept that this situation is justification for spending in advance for the next fiscal year is not sound. Incurring expenditure in anticipation of a need arising is objectionable if the immediate purpose is to exhaust a vote before it lapses. The incorrectness of such a practice must be emphasized.

With the rapid economic growth of Ontario, the resultant expansion of Government organization and expenditure has placed a direct and serious responsibility on the various Departments. It is evident that the impact of these increasing fiscal operations requires good organization and modern work methods to effect economies and increase efficiency. In my report last year I recommended that the Treasury Department establish a section to review the organization and analyze the work methods in force in the Departments. In my opinion immediate action should be taken on this recommendation. It is, however, the prime responsibility of the individual Departments to ensure that organization and procedures are reviewed from time to time.

The expanding financial responsibilities in all Departments indicate the need for a more centralized financial authority. In the past I have recommended that a study be made of the legislative enactments and various other authorities relating to fiscal accounts—those dealing with revenues, custody of funds, disbursements and public debt. The knowledge obtained from a study of the methods and processes by which funds for the support of public services are raised, spent and accounted for, could be used to integrate procedures in the various Departments. I believe that an immediate overall review should be made.

BALANCE SHEET

The Balance Sheet does not include as an asset the value of Crown timber, mineral wealth of Crown lands, Crown lands, water powers, fish, game and fur.

The Balance Sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

I report hereunder on certain of the Assets and Liabilities as shown on the Balance Sheet at March 31, 1953.

ASSETS

CASH ON HAND AND IN BANKS—\$4,812,306.50

Cash in Chartered Banks.....	\$ 4,007,334.72
Province of Ontario Savings Office.....	804,971.78
	<u>\$ 4,812,306.50</u>

The cash on deposit in chartered banks for the account of the Treasury and the Province of Ontario Savings Office was verified by reconciliation with letters of confirmation received directly from the depositaries.

Cash on hand in the various branches of the Province of Ontario Savings Office was verified by reconciliation with letters of confirmation received directly from the responsible branch managers. The branches of the Savings Office were examined by Head Office inspectors at various unannounced times during the year.

LOANS AND ADVANCES—\$274,586,805.62

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

OPEN ADVANCES—\$55,201,589.17

During the fiscal year ended March 31, 1953, the Commission repaid \$10,489,933.08 to the Province of Ontario on account of advances made under The Power Commission Act. Under this Act, advances for the construction of fixed assets were made to the Hydro-Electric Power Commission of Ontario for the Southern Ontario and Thunder Bay Systems, and Northern Ontario Properties, which is held and operated by the Hydro-Electric Power Commission in trust for the Province of Ontario. By authority of The Power Commission Amendment Act, 1953, the Thunder Bay System was merged with the Northern Ontario Properties for financial and administrative purposes as from January 1, 1952.

Of the amounts originally advanced \$55,201,589.17 remains unpaid as at March 31, 1953. Of this amount, \$45,662,526.02 relates to the Southern Ontario System and \$9,539,063.15 relates to the Northern Ontario Properties which now includes the former Thunder Bay System. The money originally advanced by the Province represented a portion of the proceeds of certain Provincial Debenture issues. As the debentures mature the Province is repaid the portion originally advanced.

A schedule is here presented which shows the details of future repayments

YEAR ENDED	SOUTHERN ONTARIO SYSTEM	NORTHERN ONTARIO PROPERTIES	TOTAL
March 31, 1954.....	\$ 1,527,881.36	\$ 284,637.79	\$ 1,812,519.15
" 1955.....	1,564,063.49	291,683.66	1,855,747.15
" 1956.....	1,601,030.84	298,872.83	1,899,903.67
" 1957.....	1,485,301.95	270,601.50	1,755,903.45
" 1958.....	1,334,996.68	232,728.92	1,567,725.60
" 1959.....	1,041,390.98	201,074.43	1,242,465.41
" 1960.....	12,215,141.07	2,538,560.72	14,753,701.79
" 1961.....	12,641,564.77	2,802,417.26	15,443,982.03
" 1962.....	1,179,235.68	228,018.57	1,407,254.25
" 1963.....	1,228,569.82	237,638.94	1,466,208.76
" 1964.....	1,280,836.34	247,875.69	1,528,712.03
" 1965.....	1,334,523.36	258,410.92	1,592,934.28
" 1966.....	1,390,288.36	269,381.67	1,659,670.03
" 1967.....	1,448,642.92	280,860.67	1,729,503.59
" 1968.....	1,169,087.83	245,701.19	1,414,789.02
" 1969.....	1,218,331.75	256,147.32	1,474,479.07
" 1970.....	835,174.55	237,684.68	1,072,859.23
" 1971.....	871,461.20	247,897.18	1,119,358.38
" 1972.....	295,003.07	108,869.21	403,872.28
	<u>\$45,662,526.02</u>	<u>\$ 9,539,063.15</u>	<u>\$55,201,589.17</u>

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES SECURED BY BONDS—\$148,500,000.00

Pursuant to the provisions of The Power Commission Act, as amended, debentures of the Province of Ontario were issued during the fiscal year ended March 31, 1952, and the proceeds in the amount of \$100,000,000.00, were advanced to the Hydro-Electric Power Commission of Ontario.

An additional \$50,000,000.00 was advanced during the current fiscal year and will be utilized by the Commission, among other things, to repay temporary loans of the Commission outstanding at the date of such advance and for capital expenditures for new construction.

As security for the advances, the Commission delivered to the Province of Ontario, bonds of the Hydro-Electric Power Commission of Ontario for the same principal amount and the same interest rate and terms as the related Province of Ontario debentures. Prior to the year end the Commission redeemed before maturity \$1,500,000.00 of the bonds securing the advances, reducing the total advance secured by bonds to \$148,500,000.00 as at March 31, 1953. The securities held by the Province have been verified by actual count.

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,934.92

This amount represents advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$11,896,461.99

The assets of the Housing Corporation Limited have decreased during the year by \$1,589,362.59. This is due to repayment of mortgage loans principal and application of the related funds to the reduction of the outstanding bank loans of the Corporation. In the same period the Reserve for Mortgage Loans including principal and interest was increased by \$110,696.18 to a total of \$689,536.65.

As at March 31, 1953, there were 12,187 mortgage loans in the course of repayment. No confirmation of outstanding mortgages was obtained, from the mortgagors concerned.

The assets and liabilities of the Housing Corporation Limited have been included with the other accounts on the Balance Sheet of the Province. The balance sheet of the Housing Corporation Limited is also shown separately in the Public Accounts on page 53.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION—

INVESTMENTS—\$781,638.97

Under The Junior Farmer Establishment Act, 1952, the Province guaranteed the indebtedness of the Ontario Junior Farmer Establishment Loan Corporation which is a corporation created by the Province for the purpose of making loans to assist young qualified farmers in the establishment, development and operation of their farms.

As of March 31, 1953, 120 loans were in course of repayment. No confirmation of outstanding loans was obtained from the borrowers concerned.

The assets and liabilities of the Ontario Junior Farmer Establishment Loan Corporation have been included with the other accounts on the Balance Sheet of the Province. The Balance Sheet of the Ontario Junior Farmer Establishment Loan Corporation is also shown separately in the Public Accounts on page 55.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION— INVESTMENTS—\$15,277,635.09

Under The Ontario Municipal Improvement Corporation Act, the Province guaranteed the indebtedness of the Ontario Municipal Improvement Corporation, which is a corporation created by the Province for the purpose of purchasing from municipalities in Ontario debentures issued by them for certain municipal works and undertakings. Debentures of Ontario municipalities having a par value of \$14,392,467.59 have been purchased by the Corporation at a cost of \$14,266,657.08, which, together with cash in bank of \$843,366.01, and accrued interest receivable amounting to \$167,612.00 makes up the Province's investment of \$15,277,635.09.

A schedule of debentures of Ontario Municipalities held by the Corporation as at March 31, 1953 is presented below:

NAME	PURPOSE	PAR VALUE
Improvement District of Atikokan.....	Water and Sewers	\$ 311,500.00
Township of Bertie.....	Water	127,000.00
Town of Bracebridge.....	Water	87,000.00
Burlington-Nelson Inter-Urban Area.....	Water	303,000.00
Township of Chapleau.....	Sewers	297,000.00
Town of Cochrane.....	Sewers	105,000.00
Village of Crystal Beach.....	Water and Sewers	140,000.00
Village of Delhi.....	Water and Sewers	30,000.00
Town of Dryden.....	Water	17,800.00
Village of Elmvale.....	Water	3,900.00
Township of Etobicoke.....	Water and Sewers	652,000.00
Town of Fort Francis.....	Water and Sewers	31,100.00
Township of Grantham.....	Water	89,000.00
Town of Hawkesbury.....	Water and Sewers	88,600.00
Town of Hearst.....	Water and Sewers	51,000.00
Village of Long Branch.....	Sewers	106,700.00
Town of Matheson.....	Water	4,000.00
Town of Mattawa.....	Water	180,400.00
Village of Morrisburg.....	Sewers	7,800.00
Township of McKim.....	Water and Sewers	453,200.00
United Townships of Neelon and Garson.	Water	105,000.00
Town of New Liskeard.....	Water and Sewers	112,300.00
City of Niagara Falls.....	Water	555,000.00
Township of Niagara.....	Sewers	47,700.00
Township of North York.....	Water and Sewers	1,586,367.59
Town of Oakville.....	Water	455,600.00
Town of Parry Sound.....	Water and Sewers	16,100.00
Village of Port Credit.....	Water	261,000.00
Village of Port McNicoll.....	Water	16,000.00
Town of Riverside.....	Sewers	91,300.00
Township of Sandwich East.....	Water and Sewers	179,500.00
Township of Scarborough.....	Water	3,850,600.00
Township of Schreiber.....	Water	33,000.00
Town of Sioux Lookout.....	Water and Sewers	65,000.00
Village of South River.....	Water	112,000.00
Township of Stamford.....	Water	522,000.00

Town of Sturgeon Falls.....	Sewers	48,900.00
Village of St. Clair Beach.....	Water	10,200.00
City of Sudbury.....	Sewers	253,400.00
Township of Tay.....	Water	90,100.00
Township of Teck.....	Water and Sewers	95,100.00
Town of Tecumseh.....	Sewers	20,500.00
Town of Timmins.....	Sewers	76,500.00
Township of Toronto.....	Water	776,000.00
Township of West Ferris.....	Water	57,500.00
Township of Westminster.....	Sewers	24,000.00
Township of Widdifield.....	Water	37,600.00
City of Windsor.....	Water and Sewers	1,800,000.00
Township of Whitney.....	Sewers	8,200.00
		<u>\$14,392,467.59</u>

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—

INVESTMENTS—\$4,890,292.85

Agricultural Development Board—Debentures.....	\$4,775,000.00
The Farm Loans Act—Farm Loans Associations.....	37,133.37
Capital Stock in Associations.....	2,145.00
Municipal Debentures—Village of West Lorne.....	76,014.48
<u>\$4,890,292.85</u>	

During the year the principal sum of \$1,355,442.08 was received on account of the above investments.

Maturity dates of the Agricultural Development Board Debentures were originally related to the maturity dates of the loans issued. The maturity dates of many of these loans have been altered by re-amortization and re-issue to dates beyond the terms of the related debentures. It would seem therefore, that these maturity dates will require amendment by Order-in-Council because of the difficulty which the Commissioner will experience in meeting all of the debentures as they fall due.

THE HOUSING DEVELOPMENT ACT—ADVANCES—\$2,004,607.03

During the year capital advances of \$2,096,939.52 were made under authority of the above Act in connection with certain joint housing projects which are controlled by the Government of Canada and the Province of Ontario acting in partnership to provide needed housing accommodation in Ontario.

In the same period \$92,332.49 has been received and applied as a reduction of the above advances pending any adjustments which may become necessary upon the completion of the various projects.

MUNICIPALITIES, ETC.—\$5,826,545.60

Co-operative Marketing Loans.....	\$1,181,535.00
Drainage Debentures.....	1,442,292.70
Sandwich, Windsor and Amherstburg Railway Company—Bonds.....	1,250,000.00
City of Windsor Municipal Debentures.....	1,942,184.52
Miscellaneous.....	10,533.38
<u>\$5,826,545.60</u>	

Net decreases during the year were made in Co-operative Marketing Loans in the amount of \$13,572.00. The Sandwich, Windsor and Amherstburg Railway met a maturity of \$50,000.00 during the year and the City of Windsor paid off \$156,714.17 of its debentures at the due dates throughout the year. Drainage debentures were increased by a net amount of \$136,122.96.

GOVERNMENT OF CANADA—\$4,271,015.28

DEBT ACCOUNT—\$2,848,289.52

There has been no change in this account during the year.

COMMON SCHOOL FUND—\$1,422,725.76

There has been no change in this account during the year.

BUILDINGS, ROADS, ETC.—\$770,906,777.44

Roads and Highways.....	\$618,827,401.47	
Less—Capital Expenditure to Oct. 31, 1923, written off	67,141,801.81	
		\$551,685,599.66
Public Buildings, Public Works, etc.....		215,588,313.48
Niagara Parks Commission.....		2,806,618.86
Salvaged Fire-damaged Timber.....		826,245.44
		<u>\$770,906,777.44</u>

Net capital expenditures were made during the year on Roads and Highways of \$63,945,166.92. The accumulated capital expenditures to date on Roads and Highways amount to \$618,827,401.47 stated at cost.

The highways built prior to 1923 have been either completely replaced or reconstructed to such an extent that it is now considered the cost of original construction should be written off. Accordingly, the highway capital expenditure made prior to October 31, 1922 in the amount of \$45,212,514.10 has been written off and charged to Surplus, and in the current year a further amount of \$21,929,287.71 has been written off. These two amounts, totalling \$67,141,801.81 deducted from the total expenditure leave a book value at March 31, 1953, of \$551,685,599.66.

Net increases during the year were made to Public Buildings, Public Works, etc., in the amount of \$20,146,742.81 of which \$8,825,749.00 relates to Rural Power Bonus. No depreciation has been accrued on these assets.

The surplus account of the Niagara Parks Commission as at the close of its fiscal year, October 31, 1952, showed a balance of \$2,806,618.86, which is included in the accounts of the Province by authority of subsection 2, of section 14, of The Niagara Parks Act. This amount has been brought on the Balance Sheet through an adjustment to Surplus Account.

The proceeds arising from the disposal of fire-damaged timber during the fiscal year ended March 31, 1953, exceeded the outlay on the year's salvage operations by \$661,176.09. As a result, the investment of the Province in salvaged fire-damaged timber has been reduced from \$1,487,421.53 as at March 31, 1952, to \$826,245.44 as at March 31, 1953.

THE LIQUOR CONTROL BOARD OF ONTARIO—INVESTMENTS—\$15,760,706.67

This amount corresponds with the Appropriated Surplus of The Liquor Control Board of Ontario as per the Balance Sheet of the Board as at March 31, 1953. It represents the amount retained by the Liquor Control Board for financing Accounts Receivable, Inventories, Prepaid Charges and fixed assets (less reserves).

OTHER LOANS AND ADVANCES—\$776,800.76

Co-operative Marketing Loans.....	\$149,250.00
Guaranteed Debentures and Interest Coupons redeemed by Province.....	267,202.31
Home Bank (in Liquidation) Balance.....	213,000.00
Municipal Drainage Debentures.....	2,760.26
Promissory Notes Paid—Ottawa Separate Schools Commission.....	53,902.23
Settlers' Loans.....	88,014.37
Mothers' Allowances—Municipalities.....	1,530.00
Rural Power Districts—Domestic Loans.....	1,141.59
	<u>\$776,800.76</u>

This represents a segregation of Loans and Advances which are in arrears or in default.

During the year co-operative marketing loans under this heading was increased \$19,250.00 by a transfer from the section Municipalities, etc.

Outstanding settlers' loans have been reduced by \$10,540.53.

These assets are carried at book value as the ultimate realization value cannot be determined at this date.

DISCOUNT ON DEBENTURES—\$6,473,871.92

Discounts and premiums on Provincial debenture issues are amortized in each case over the term of the related issue. The unamortized balances comprising the above total are shown in detail in the Public Accounts of Ontario for 1952-53 on page 49.

ACCOUNTS RECEIVABLE—\$11,601,192.73

This is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for doubtful accounts and includes \$7,007,657.22 representing the unappropriated surplus of the Liquor Control Board of Ontario in the amount of \$6,726,616.24 together with amounts currently owing to the Province of Ontario in the amount of \$281,040.98 as shown by the Balance Sheet of the Board as at March 31, 1953.

The accounts receivable were submitted by Departmental Accountants. The reserves provided are considered adequate. This asset has been brought on the Balance Sheet by an adjustment through Surplus Account.

INTEREST RECEIVABLE (DUE AND ACCRUED)—\$1,067,525.96

There is owing to the Provincial Treasurer of Ontario \$3,267,525.96 for interest due and accrued on the debentures of the Agricultural Development Board. A reserve of \$2,200,000.00 is provided against the \$3,267,525.96 since a deficit of \$1,462,824.63 appears in the books of the borrower and certain loans

are outstanding which may prove to be uncollectible. At the present time this reserve is considered to be adequate. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS—\$5,612,261.84

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued as in previous years on a basis not exceeding cost. This account has been brought on the balance sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$712,482,500.00

Stocks and Debentures	\$867,567,500.00
Less—Sinking Funds	155,985,000.00
	<hr/>
	\$711,582,500.00
Sandwich, Windsor and Amherstburg Railway Company Bonds, due July 1, 1961—principal assumed	900,000.00
	<hr/>
	\$712,482,500.00

The details of Stocks and Debentures outstanding at March 31, 1953, are shown in the Public Accounts for 1952-53 on page 51.

The Sinking Funds amount to \$155,985,000.00 of which \$126,682,650.00 is invested in securities and \$29,302,350.00 is held as uninvested funds. The securities held consist of issues of the Province of Ontario, the Hydro-Electric Power Commission of Ontario, the Ontario Northland Transportation Commission, the Governments of Canada and the United States of America. These have been verified by actual count with the exception of United States of America treasury bills held in safekeeping in New York City. The uninvested funds have been verified from the records of the Provincial Treasurer.

UNFUNDED DEBT—\$171,748,706.19

DEMAND DEPOSITS WITH THE PROVINCE OF ONTARIO SAVINGS

OFFICE—\$61,607,637.87

Current deposits of \$61,556,329.35 and unclaimed balances of \$51,308.52 comprise this amount and these accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to depositors is similar to the liability of a Chartered Bank in regard to savings deposits.

SPECIAL FUNDS—\$28,272,707.90

Details of the balances included in this amount are shown on page 52 of the Public Accounts. The liability arises primarily through the receipt of funds which are subject to future disbursement by the Province.

During the year the Ontario Public Service Superannuation Fund deposit of Uninvested Funds increased by \$2,920,384.74 to a balance of \$19,696,656.79.

The funds held for redemption of vacation with pay stamps increased by \$648,089.03 to a new balance at March 31, 1953, of \$6,924,379.05.

TEMPORARY LOANS—

TREASURY BILLS—\$10,500,000.00

During the fiscal year short term loans were made by the issuance of Treasury Bills. The details of the Treasury Bills outstanding as at March 31, 1953, are shown below and in the Public Accounts for 1952-53 on page 52.

Date of Maturity	Date of Issue	Rate %	Series	Where Payable	Amount Outstanding
May 1, 1953	May 1, 1952	2½	RT-AO	Canada	\$10,000,000.00
May 29, 1953	May 29, 1952	2½	FF	Canada	500,000.00
					<u>\$10,500,000.00</u>

HOUSING CORPORATION LIMITED—\$11,206,915.34

The liabilities of Housing Corporation Limited consist mainly of a bank loan of \$11,200,000.00, secured by promissory notes guaranteed by the Province of Ontario.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION—
\$772,273.06

The liabilities of the Ontario Junior Farmer Establishment Loan Corporation consist of a bank overdraft and accrued interest thereon.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—\$15,028,767.12

The liabilities of the Ontario Municipal Improvement Corporation consist of Treasury Bills issued by the Corporation and guaranteed by the Province of Ontario, together with accrued interest thereon.

HIGHWAY RESERVE ACCOUNT—\$30,000,000.00

This account was created under authority of clause 21 of The Highway Improvement Amendment Act, 1952. This account is to be credited with such amounts as are appropriated for it by the Legislature. For the fiscal year ended March 31, 1953, \$30,000,000.00 was provided for this account by supplementary estimates. As at March 31, 1953, no expenditures incurred in the construction of highways have been paid out of this account.

CORPORATIONS TAX RESERVE ACCOUNT—\$14,355,404.90

The Province of Ontario entered into a tax rental agreement with the Government of Canada by authority of The Corporations and Income Taxes Suspension Act, 1952. The \$14,355,404.90 set out above represents amounts received by the Province in the fiscal year ended March 31, 1953, in respect of taxes on Corporations which accrued on or before December 31, 1951. As and when the tax rental agreement ceases to be in operation, the amounts set aside in this Account will be taken into ordinary revenue.

MISCELLANEOUS—\$5,000.00

This account provides for certain definitive debentures now matured for which interim certificates have not been presented and for a debenture matured but not presented for payment.

ACCOUNTS PAYABLE—\$2,022,578.14

This account incorporates the value of goods received and services rendered during the year which had not been paid for as at March 31, 1953. Of the total, \$1,889,762.80 arises from timber deposits and other credit balances of the Department of Lands and Forests. This liability has been brought on the Balance Sheet through an adjustment to Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$9,889,245.38

Interest accrued but not yet due at March 31, 1953, on debentures outstanding in the hands of the public, accounts for \$9,774,753.15 of this amount. This liability has been brought on the Balance Sheet through an adjustment to Surplus Account.

RESERVES—\$4,177,291.65

A net increase of \$1,309,180.57 occurred during the year. The main sources of this increase were \$1,000,000.00 provided for the purposes of the Junior Farmer Establishment Loan Corporation, including losses on loans, \$187,123.02 added to the general reserve of the Municipal Improvement Corporation, and \$110,696.18 added to the Reserve for Mortgage Loans Principal and Interest of the Housing Corporation Limited.

SURPLUS—\$195,548,943.36

Surplus account has been increased during the year by \$27,728,692.84. The principal items credited to Surplus Account during the year were Surplus on Ordinary Account \$1,100,871.21, Sinking Fund Instalments amounting to \$30,859,000.00, Province's basic investment in Liquor Control Board of Ontario \$15,760,706.67, a net amount of \$1,936,329.63 relating to year end adjustments of accounts receivable and payable, stores and materials and accrued interest and a sundry item of \$1,073.04. Highway Capital Expenditures for the fiscal year ended October 31, 1923, in the amount of \$21,929,287.71 were written off and charged to surplus.

Details of the changes in Surplus account for the year are shown in the Public Accounts for 1952-53 on page 8.

CONTINGENT LIABILITIES—\$721,507,825.50

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Municipalities, Commissions, Railways, Schools, Universities, etc., as shown in the Public Accounts for 1952-53 on pages 58-61 are in accordance with the authority granted in the governing statutes.

During the fiscal year contingent liabilities increased by \$147,028,179.67. The increase is due largely to a net increase of \$143,941,000.00 in debenture issues of the Hydro-Electric Power Commission of Ontario, a net increase of \$3,815,000.00 in obligations of the Ontario Northland Transportation Commission, a decrease of \$300,000.00 in the outstanding debentures of the Niagara Parks Commission and a net decrease of \$279,500.00 in bank loans to Co-operative Associations.

CHARTS AND STATEMENTS

Charts showing the trend in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ended March 31, 1953, are appended to this report on pages 30-31.

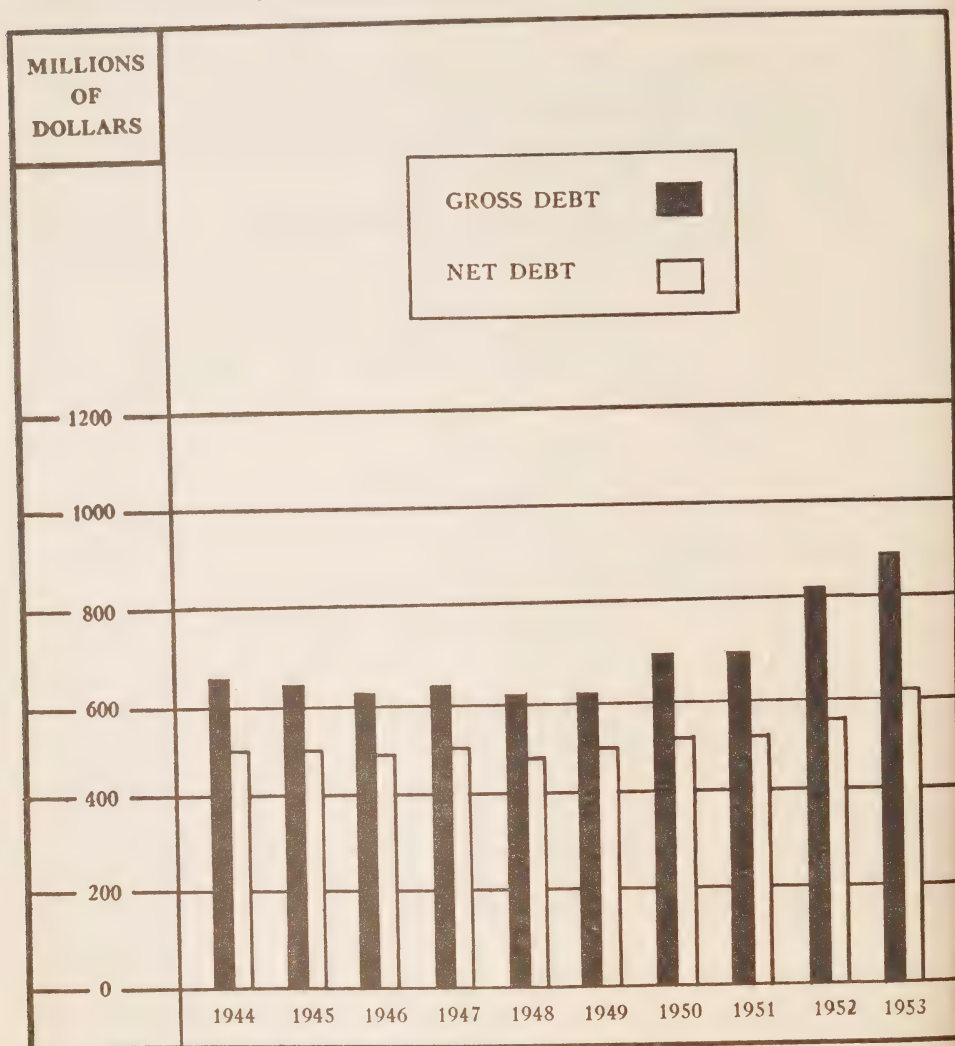
Statements showing details of the Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1953, and Special Warrants issued during the fiscal year ended March 31, 1953, are submitted in separate sections immediately following the charts referred to above.

I wish to express my appreciation to the officials and staff of the various departments, boards and commissions for the co-operation extended to this office during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 24th, 1953.

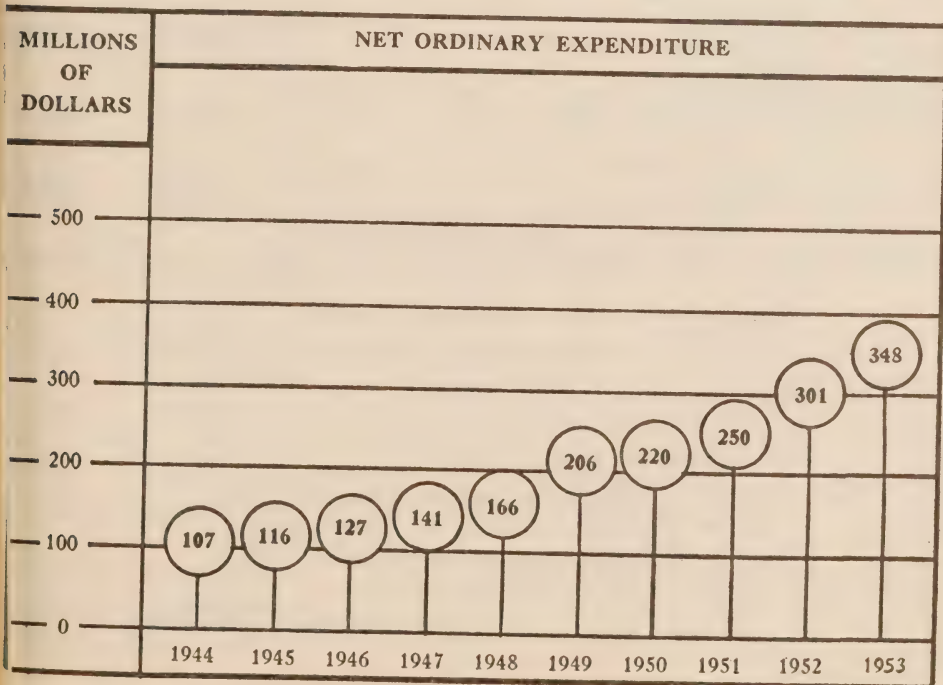
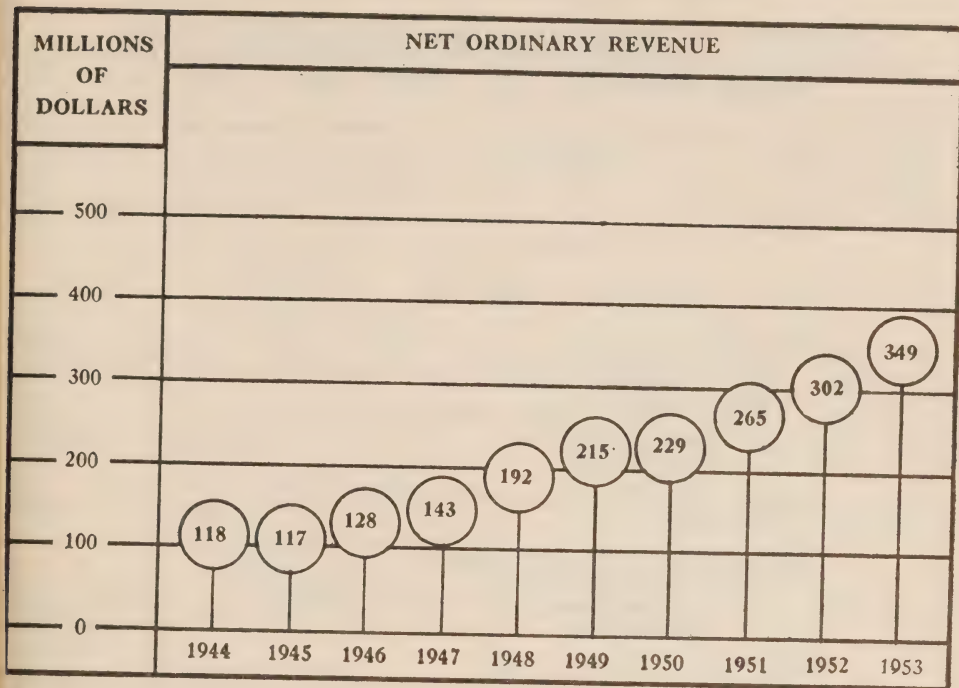
PROVINCE OF ONTARIO
GROSS AND NET PROVINCIAL DEBT
FOR THE TEN YEARS ENDED MARCH 31, 1953



Gross and Net Debt per Public Accounts

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1944	\$666,527,963.39	\$482,493,563.88
1945	646,483,511.60	480,308,957.15
1946	639,315,323.52	478,419,323.59
1947	645,221,457.67	493,087,004.24
1948	628,388,019.47	466,753,485.97
1949	628,662,860.20	483,675,155.06
1950	694,009,334.65	508,819,331.50
1951	697,963,424.22	521,550,164.38
1952	826,228,266.17	554,634,803.58
1953	896,143,029.71	604,075,198.90

PROVINCE OF ONTARIO

NET ORDINARY REVENUE AND EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1953

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS, DURING THE FISCAL YEAR ENDED MARCH 31, 1953

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	ORDINARY				
	Department of Agriculture				
	Main Office:				
Apr. 23, 1953	Travelling Expenses	450.00		444.09	
Apr. 16, 1953	Services and Expenses re Agricultural Work, etc.	20,000.00		17,650.09	
	Grants—				
Aug. 20, 1952	City of Toronto re Horse Stables in Exhibition Park (1933-1952)	24,500.00		24,440.55	
Apr. 16, 1953	Cost of Living Bonus	21,000.00		20,705.65	
	Agricultural and Horticultural Societies Branch:				
Apr. 16, 1953	Maintenance	500.00		266.81	
	Agricultural Representative Branch:				
	County and District Offices:				
Apr. 16, 1953	Agricultural Representatives Work, Services, Expenses, etc.	15,000.00		5,330.05	
	Crops, Seeds and Weeds Branch:				
Apr. 16, 1953	Salaries	600.00		581.32	
	Dairy Branch:				
Apr. 16, 1953	Dairy Instruction and Inspection	10,000.00		5,790.69	
	Fruit Branch:				
Apr. 16, 1953	Fruit Work, including expenditure under The Plant Diseases Act	15,300.00		4,965.64	
	Live Stock Branch:				
Apr. 16, 1953	Salaries	5,500.00		4,225.31	
Apr. 16, 1953	Travelling Expenses	5,000.00		4,732.23	
	Grants:				
Oct. 16, 1952	Sundry Municipalities re The Warble Fly Control Act	7,000.00		6,455.60	
	Women's Institute Branch and Home Economics Service:				
Apr. 16, 1953	Services, Travelling, Equipment, Grants, etc. . . .	9,000.00		8,208.51	
	Ontario Agricultural College, Guelph:				
Apr. 16, 1953	Expenses	44,300.00		44,299.19	
	Ontario Veterinary College, Guelph:				
Apr. 16, 1953	Travelling Expenses	3,900.00		2,934.86	
Apr. 16, 1953	Apparatus, Telephone Service, Maintenance, etc., and contingencies	43,000.00		42,289.29	
	Western Ontario Experimental Farm, Ridgetown:				
Apr. 16, 1953	Purchase of Stock and Equipment, etc.	2,000.00		1,988.30	
		227,050.00		195,308.11	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Attorney-General		
	Main Office:		
	Commissions and Sundry Investigations:		
Aug. 20, 1952	Order.....	\$ 10,000.00	
Dec. 11, 1952	"	110,000.00	
		120,000.00	120,000.00
Mar. 19, 1953	Shorthand Reporters:		
	Services Reporting and Travelling Expenses....	1,500.00	1,499.44
Mar. 19, 1953	Master of Titles Office:		
	Salaries.....	8,500.00	7,955.45
Aug. 20, 1952	Criminal Justice Accounts:		
	Audit Office:		
	Maintenance.....	1,000.00	911.82
Mar. 19, 1953	Counties and Cities:		
Apr. 16, 1953	Administration of Justice—		
	Order.....	\$100,000.00	
	"	70,000.00	
		170,000.00	169,515.90
Mar. 19, 1953	Districts:		
	Salaries.....	5,000.00	4,983.20
Mar. 19, 1953	Official Guardian's Office:		
	Maintenance.....	1,000.00	428.24
Mar. 19, 1953	Inspector of Legal Offices:		
Mar. 19, 1953	Judicial Officers in Districts:		
	Maintenance:		
	Order.....	\$2,000.00	
	"	2,500.00	
		4,500.00	4,497.52
Mar. 19, 1953	County Judges:		
	Travelling Expenses attending Division Courts	1,000.00	997.99
Mar. 19, 1953	Law Enforcement Branch:		
Mar. 19, 1953	Salaries.....	35,000.00	9,205.15
	Maintenance.....	47,500.00	46,152.74
		395,000.00	366,147.45
	Department of Education		
Feb. 3, 1953	Main Office and General Departmental Expenses:		
Feb. 3, 1953	General Departmental Expenses:		
	Compensation for Injured Workmen.....	1,500.00	1,193.04
	Litigation, Legal Services, etc.....	1,000.00	736.30
Feb. 3, 1953	Public and Separate Schools Branch:		
	Salaries.....	2,000.00	1,646.60
Feb. 3, 1953	Inspection of Elementary Schools:		
	Salaries.....	22,000.00	18,978.52
Feb. 3, 1953	High Schools and Collegiate Institutes Branch.....		
	Salaries.....	4,500.00	3,789.02
Aug. 20, 1952	Training Schools Branch:		
	Normal School Summer Sessions—		
	Services, Expenses, etc.....	33,000.00	20,606.69
Feb. 3, 1953	Normal Schools:		
	Salaries.....	15,000.00	7,733.17
Feb. 3, 1953	Special Services:		
	Auxiliary Education:		
	Salaries.....	200.00	129.80

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Education—Continued		
	Special Services—Continued		
	Educational Services for the Handicapped, etc.		
Oct. 16, 1952	Order.....	\$10,000.00	
Dec. 11, 1952	Order.....	43,000.00	
		53,000.00	21,926.88
	Community Programmes:		
Feb. 3, 1953	Training Courses and Conferences, etc.—		
	Services, Travelling Expenses, etc.....	5,000.00	
Feb. 3, 1953	Training in Citizenship for Adults—		
	Services, Expenses, etc.....	20,000.00	9,793.20
Feb. 3, 1953	Guidance:		
	Salaries.....	50.00	26.35
Feb. 3, 1953	Music:		
	Salaries.....	250.00	229.84
Oct. 16, 1952	Summer Camps:		
	Camps—Development and Maintenance....	10,000.00	5,535.01
Feb. 3, 1953	Ontario School for the Deaf, Belleville:		
	Travelling Expenses.....	500.00	399.56
Feb. 3, 1953	Scholarships, Bursaries, etc.:		
	Provincial and Dominion-Provincial Bursaries, etc.	55,000.00	
Feb. 3, 1953	Legislative Grants, etc.:		
	Special Legislative Grants, Elementary Schools...	15,000.00	3,618.28
Dec. 11, 1952	Cost of Education of Non-Resident Pupils, etc....	175,000.00	140,711.49
Mar. 19, 1953	Grants to Provincial and Other Universities, etc.:		
	University of Toronto.....	913,282.00	813,282.00
		1,326,282.00	1,050,335.75
	Department of Health		
Mar. 19, 1953	Main Office:		
Mar. 19, 1953	Travelling Expenses.....	1,500.00	921.66
Mar. 19, 1953	Medical and Other Research, Services and		
	Expenses.....	11,000.00	3,962.84
Mar. 19, 1953	Maintenance.....	15,000.00	10,989.47
Mar. 19, 1953	Compensation for Injured Workmen.....	500.00	428.20
Apr. 16, 1953	Payment of Hospitalization for Indigent Immi-		
	grants.....	40,000.00	14,850.84
Dec. 11, 1952	Compensation, etc., re Tuberculosis contracted		
	by a Workman employed in a Hospital, etc....	115,000.00	74,649.49
Mar. 19, 1953	Health Units Branch:		
	Special Health Services authorized by the		
	Minister, etc.....	10,000.00	9,984.58
Mar. 19, 1953	Public Health Nursing Branch:		
	Maintenance.....	400.00	195.04
Apr. 16, 1953	Maternal and Child Hygiene Branch:		
	Cost of Examination of Expectant Mothers.....	20,000.00	20,000.00
Mar. 19, 1953	Epidemiological Branch:		
	Outbreaks of Diseases, Sanitary Investigations,		
	etc.....	255,000.00	254,891.92
Mar. 19, 1953	Tuberculosis Prevention Branch:		
	Grants, etc.:		
Mar. 19, 1953	Sanatoria.....	100,000.00	25,287.17
Mar. 19, 1953	Maintenance of Patients (Ontario Residents		
	in Sanatoria in other Provinces).....	2,500.00	2,441.90

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
	Department of Health—Continued	\$ c.	\$ c.
Mar. 19, 1953	Tuberculosis Prevention Branch—Continued		
Mar. 19, 1953	Tuberculosis Prevention Clinics:		
	Salaries.....	1,500.00	1,288.82
	Maintenance.....	3,000.00	2,059.73
Aug. 20, 1952	Industrial Hygiene Branch:		
Aug. 20, 1952	Salaries.....	9,130.00	.....
Aug. 20, 1952	Travelling Expenses.....	3,000.00	.....
	Maintenance.....	12,500.00	5,540.65
Mar. 19, 1953	Sanitary Engineering Branch:		
	Maintenance.....	4,000.00	3,589.51
Mar. 19, 1953	Hospitals Branch:		
Mar. 19, 1953	Public and Private Hospitals Division:		
	Maintenance.....	1,000.00	969.16
	Travelling and Incidental Expenses for the Removal and Escort of Indigent Patients, etc.....	2,000.00	1,994.40
Aug. 20, 1952	Grants:		
	Public Hospitals under the authority of any Act of the Legislature and the Regulations made thereunder.....	1,273,750.00	775,998.33
Mar. 19, 1953	Ontario Hospitals Division—General Expenses:		
	Removal of Patients to and from Ontario Hospitals and Examination of Patients from Unorganized Districts.....	3,000.00	2,627.62
Mar. 19, 1953	Removal Expenses of Officials in connection with Ontario Hospitals.....	2,000.00	1,465.53
Dec. 11, 1952	Payments to Schools for Education of Children of Ontario Hospitals' Staff, etc.....	2,700.00	2,683.72
Mar. 19, 1953	Ontario Hospitals:		
	Fort William:		
	Salaries.....	1,600.00	460.64
Mar. 19, 1953	Fort William-Port Arthur Unit:		
	Salaries.....	1,000.00	210.66
Apr. 16, 1953	Ontario Hospital School, Orillia:		
	Maintenance.....	5,000.00	4,920.06
Apr. 16, 1953	Woodstock:		
	Maintenance.....	15,000.00	14,912.77
Apr. 16, 1953	Toronto Psychiatric:		
	Maintenance.....	5,000.00	4,921.26
		1,916,080.00	1,242,245.97
	Department of Highways		
Mar. 19, 1953	Main Office:		
	Unemployment Insurance Stamps.....	10,000.00	2,908.73
	Department of Insurance		
Mar. 19, 1953	Maintenance.....	4,000.00	3,907.24
	Department of Labour		
	Main Office:		
	Salaries:		
Feb. 3, 1953	Order.....	\$13,000.00	
Mar. 19, 1953	".....	1,000.00	
		14,000.00	13,168.90
Apr. 16, 1953	Maintenance.....	2,000.00	1,439.23

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Labour—Continued				
	Main Office—Continued				
Oct. 16, 1952	General Stores, Purchase of Stationery, etc.	6,000.00		2,906.97	
	Conciliation Boards (Commissioners, etc.)				
	Order		\$30,000.00		
Dec. 11, 1952	"		10,000.00		
Mar. 19, 1953	"		5,000.00		
Apr. 16, 1953		45,000.00		39,125.76	
	Advertising, Educational Work, Conferences, etc.	3,000.00		2,051.17	
Feb. 3, 1953	Cost of Living Bonus	2,000.00		1,052.24	
Feb. 3, 1953	Unemployment Insurance Stamps	300.00		185.51	
Dec. 11, 1952					
	Apprenticeship Branch:				
	Examiner's Fees	2,000.00		1,317.00	
Oct. 16, 1952	Maintenance	2,000.00		742.58	
Apr. 16, 1953					
	Boiler Inspection Branch:				
	Salaries	4,000.00		3,129.78	
Feb. 3, 1953	Maintenance	2,000.00		1,265.23	
Apr. 16, 1953					
	Factory Inspection Branch:				
	Maintenance	3,000.00		1,830.43	
Oct. 16, 1952					
	Board of Examiners of Operating Engineers:				
	Maintenance	2,000.00		1,408.65	
Apr. 16, 1953					
	Composite Inspection Branch:				
	Salaries	3,000.00		1,527.41	
Feb. 3, 1953					
	Labour Relations Board:				
	Salaries	1,000.00			
Feb. 3, 1953	Maintenance:				
	Order		\$1,000.00		
Feb. 3, 1953	"		2,000.00		
Apr. 16, 1953		3,000.00		2,634.89	
		94,300.00		73,785.75	
	Department of Lands and Forests				
	Main Office:				
Apr. 16, 1953	Annuities and Bonuses to Indians under Treaty No. 9	892.00		892.00	
	Department of Mines				
	Main Office:				
	Travelling Expenses	5,000.00		3,088.31	
Feb. 3, 1953	Fees and Expenses—Legal, Professional, Miscellaneous Services and Investigations—				
	Order		\$1,400.00		
Feb. 3, 1953	"		525.00		
Mar. 19, 1953		1,925.00		1,912.00	
		6,925.00		5,000.30	
	Department of Municipal Affairs				
	Main Office:				
	Salaries	15,000.00		6,740.70	
Feb. 3, 1953	Travelling Expenses	35,000.00		9,993.30	
Oct. 16, 1952	Commissions and Investigations	10,000.00		8,685.30	
Feb. 3, 1953	Unemployment Insurance Stamps	600.00		64.50	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Municipal Affairs—Continued		
Oct. 16, 1952	Main Office—Continued Assistance to Municipalities: Payments to Mining Municipalities.....	200,000.00	127,213.90
Mar. 19, 1953	Ontario Municipal Board: Salaries.....	2,000.00	1,925.98
		262,600.00	154,623.86
	Department of Planning and Development		
Feb. 3, 1953	Main Office: Travelling Expenses.....	500.00	430.72
Feb. 3, 1953	Cost of Living Bonus.....	1,500.00	792.01
Feb. 3, 1953	Conservation Branch: Salaries.....	3,500.00	2,884.13
Mar. 19, 1953	Maintenance.....	1,000.00	334.97
Mar. 19, 1953	Publications.....	10,500.00	10,118.88
Feb. 3, 1953	Immigration Branch: Salaries.....	200.00	177.21
Feb. 3, 1953	Research Council of Ontario: Research Projects and Activities to include Industrial Technical Research Services.....	50,000.00	43,479.43
		67,200.00	58,217.35
	Office of Prime Minister		
Dec. 11, 1952	Ontario Racing Commission: Services of Officials at Race Tracks.....	4,000.00	3,818.97
	Department of Provincial Secretary		
Mar. 19, 1953	Office of the Speaker: Salaries.....	1,500.00	1,355.98
Mar. 19, 1953	Sessional Requirements: Clerks of Committees, Sergeant-at-Arms, Mes- sengers, Pages, Sessional Writers, etc.....	10,000.00	8,445.32
Mar. 19, 1953	Maintenance.....	1,000.00	996.27
Mar. 19, 1953	Hansard.....	15,000.00	7,791.93
Aug. 20, 1952	Committee Fees, etc.— Order.....\$25,000.00		
Dec. 11, 1952	".....25,000.00		
		50,000.00	48,959.00
Dec. 11, 1952	Miscellaneous Requirements: Government Hospitality Fund.....	15,000.00	10,457.28
		92,500.00	78,005.78

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Provincial Treasurer		
Feb. 3, 1953	Main Office:		
	Salaries.....	4,000.00	3,162.62
Feb. 3, 1953	Maintenance		
Apr. 16, 1953	Order.....\$5,000.00		
	".....3,000.00		
		8,000.00	7,909.34
Feb. 3, 1953	Premium on Fidelity Bonds.....	3,000.00	1,100.85
Feb. 3, 1953	Unemployment Insurance Stamps.....	2,100.00	2,099.86
	Grant to Canadian Thoroughbred Horse Society:		
Mar. 19, 1953	Order.....\$2,200.00		
Apr. 16, 1953	".....100.00		
		2,300.00	2,249.98
	Provincial Economist:		
	Maintenance		
Oct. 16, 1952	Order.....\$2,000.00		
Mar. 19, 1953	".....5,000.00		
		7,000.00	6,684.74
	Motion Picture Censorship and Theatre Inspection:		
Feb. 3, 1953	Travelling Expenses.....	2,000.00	1,538.68
		28,400.00	24,746.07
	Department of Public Welfare		
	Main Office:		
Mar. 19, 1953	Cost of Living Bonus.....	15,000.00	13,597.88
	Child Welfare Branch:		
Oct. 16, 1952	Grants—Salaries of Local Superintendents, etc....	4,000.00	4,000.00
Mar. 19, 1953	Subsidy for Protection Services.....	60,000.00	51,249.36
	Mothers' Allowances Branch:		
Mar. 19, 1953	Allowances.....	50,000.00	31,729.48
	Old Age Assistance Branch:		
Oct. 16, 1952	Salaries.....	82,000.00	75,887.91
	Field Services Branch:		
Feb. 3, 1953	Field Workers:		
	Maintenance.....	8,000.00	7,260.35
	Disability Allowances Branch:		
Oct. 16, 1952	Maintenance.....	5,000.00	4,850.55
		224,000.00	188,575.53
	Department of Public Works		
	Main Office:		
Mar. 19, 1953	Compensation for Injured Workmen.....	3,000.00	763.28
Mar. 19, 1953	Unemployment Insurance Stamps.....	2,000.00	.....
	Public Buildings—Maintenance and Repairs:		
	Legislative and Departmental Buildings:		
	Administrative Services:		
Mar. 19, 1953	Telephone Service.....	10,000.00	7,429.62
Mar. 19, 1953	Typewriter Inspection and Repairs for all		
	Departments.....	3,000.00	1,014.10
	Ontario Government Branch Office Buildings:		
	General:		
Mar. 19, 1953	Rental and Caretaking of Leased Premises		
	and expenses in connection therewith..	65,000.00	21,347.6
		83,000.00	30,554.6

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Reform Institutions		
	Main Office:		
Mar. 19, 1953	Prisoners Removal and Other Expenses	13,000.00	.....
Mar. 19, 1953	Unemployment Insurance Stamps	1,000.00	451.85
Feb. 3, 1953	Compensation for Injured Workmen	3,000.00	2,041.16
	Board of Parole:		
Mar. 19, 1953	Allowances and Expenses for Parole Board	2,000.00	1,077.55
Feb. 3, 1953	Maintenance	1,000.00	895.93
	Ontario Reformatories:		
	Guelph:		
Mar. 19, 1953	Salaries	15,000.00	6,725.89
Mar. 19, 1953	General Maintenance	35,000.00	23,034.30
	Mimico:		
Mar. 19, 1953	Salaries	5,000.00	2,865.76
	Mercer—Toronto:		
Mar. 19, 1953	Salaries	5,000.00	2,428.06
Mar. 19, 1953	Repairs to Buildings, etc.	4,000.00	2,670.62
	Industrial Farms:		
	Burwash:		
Mar. 19, 1953	Salaries	10,000.00	6,105.27
	Monteith:		
Mar. 19, 1953	Salaries	5,000.00	3,192.88
Mar. 19, 1953	General Maintenance	25,000.00	24,856.01
Feb. 3, 1953	Repairs to Buildings, etc.	3,000.00	2,938.00
	Rideau—Burritt's Rapids:		
Mar. 19, 1953	Salaries	8,000.00	4,940.66
Feb. 3, 1953	Industries	10,000.00	8,092.22
	Burtch—Brantford:		
Mar. 19, 1953	Salaries	8,000.00	7,346.05
Apr. 16, 1953	General Maintenance	5,000.00	4,713.38
	Ontario Training Schools for Boys:		
	Cobourg:		
Mar. 19, 1953	Salaries	5,000.00	1,779.95
		163,000.00	106,155.54
	Department of Travel and Publicity		
	Travel Division:		
	Publicity Branch:		
Oct. 16, 1952	Special Promotion including Tours of Writers, Editors and Photographers, etc.	3,000.00	2,894.18
Feb. 3, 1953	Exhibits and Displays at Outdoor Shows, Exhibitions and Travel Expositions, etc.	3,000.00	2,267.31
	Information Branch:		
Feb. 3, 1953	Salaries	3,200.00	3,024.01
	Public Information Division:		
Dec. 11, 1952	Advertising Space, Radio Facilities, Production of Advertising, Incidental Expenses and Services.	5,000.00	4,403.75
	Ontario Rentals Administration:		
Mar. 19, 1953	Cost of Living Bonus	6,500.00	5,748.64
		20,700.00	18,337.89
	Total Ordinary Treasury Board Orders	4,925,929.00	3,603,567.05

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	CAPITAL		
	Department of Highways		
Dec. 11, 1952	Motor Vehicles Branch:		
	To Supplement Payments under Part XIV, The Highway Traffic Act—Unsatisfied Judgment Fund.....	350,000.00	.....
	Total Capital Treasury Board Orders.....	350,000.00	.....
	Total Treasury Board Orders.....	5,275,929.00	3,603,567.05

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR
ENDED MARCH 31, 1953

DATE OF WARRANT	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	ORDINARY				
	Department of Health				
Aug. 14, 1952	Special grant to the Camp Ouendake Foundation Incorporated of Toronto.....	5,000.00		5,000.00	
Dec. 18, 1952	Special grant to the Sudbury and Algoma Sanatorium Association, Sudbury:				
Feb. 5, 1953	Warrant.....\$55,000.00				
	".....23,200.00	78,200.00		77,651.16	
		83,200.00		82,651.16	
	Office of Prime Minister				
Jan. 15, 1953	Canteen Supplies for Armed Forces in Korea and Europe.....	4,250.00		4,250.00	
Sept. 18, 1952	Grant to Civil Service Association of Ontario, Inc....	5,000.00		5,000.00	
		9,250.00		9,250.00	
	Department of Public Welfare				
May 7, 1952	Burials of Serguisz Aksiuk, Wladimir Aksuik, Valen- tin Aksiuk, Boris Aksiuk and Natalia Aksiuk.....	456.00		217.50	
Jan. 29, 1953	W. H. Bury of 112 St. Clair Ave. W., Toronto, for services in connection with the study of adoption and child care procedure throughout the Province of Ontario.....	1,200.00		1,200.00	
		1,656.00		1,417.50	
	Department of Reform Institutions				
May 7, 1952	Grant to the Canadian Penal Association.....	1,000.00		1,000.00	
	Total Special Warrants.....	95,106.00		94,318.66	





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PROVINCIAL AUDITOR'S *Office* REPORT

(1953-54)

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



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Printer to the Queen's Most Excellent Majesty

1955

PROVINCIAL AUDITOR'S REPORT

1953-54

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
SESSIONAL PAPER No. 3, 1955



TORONTO

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TO THE HONOURABLE LOUIS ORVILLE BREITHAUP, LL.D.,
Lieutenant-Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1954, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
November 29, 1954.



REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1954, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1953 - 1954

I have the honour to report to the Legislative Assembly, on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1954, in accordance with the requirements of The Audit Act.

The Balance Sheet of the Province of Ontario as at March 31, 1954, the Statements of Revenue and Expenditure for the year ended on that date and other related statements, published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion, and according to the best of my information and the explanations given to me, and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1954, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been used as in previous years, and the Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1954, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1953-54

The statements which follow summarize the operating results for the fiscal year ended March 31, 1954. The Honourable Leslie M. Frost, Q.C., LL.D., Treasurer of Ontario, in his address to the Legislative Assembly of Ontario, on March 12, 1953, presented budget forecasts of ordinary revenue and expenditure, and of capital receipts and payments for the fiscal year ended March 31, 1954, and in his budget address on March 11, 1954, presented interim statements of ordinary revenue and expenditure and of capital receipts and payments for the same fiscal year, consisting of ten months' actual results and two months' forecast.

These budget forecasts and interim statements are shown in conjunction with the actual figures for purposes of comparison.

COMPARATIVE SUMMARY
BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1953, TO MARCH 31, 1954

	BUDGET	ACTUAL	ACTUAL OVER BUDGET
Net Ordinary Revenue.....	\$334,733,000.00	\$372,973,315.71	\$38,240,315.71
Less: Net Ordinary Expenditure (before providing for Sinking Funds).....	320,103,000.00	342,095,301.99	21,992,301.99
Surplus (before providing for Sinking Funds)	\$ 14,630,000.00	\$ 30,878,013.72	\$16,248,013.72
Less: Provision for Sinking Funds.....	14,445,000.00	29,945,000.00	15,500,000.00
Surplus.....	<u>\$ 185,000.00</u>	<u>\$ 933,013.72</u>	<u>\$ 748,013.72</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1953, TO MARCH 31, 1954**

	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 914,000.00	\$ 1,087,233.23	\$ 173,233.23	\$
Attorney-General.....	2,732,000.00	3,763,511.62	1,031,511.62	
Education.....	1,082,000.00	1,325,151.41	243,151.41	
Health.....	3,510,000.00	4,062,439.96	552,439.96	
Highways:				
Main Office.....	30,000.00	807,252.76	777,252.76	
Gasoline Tax Branch.....	79,000,000.00	86,301,852.87	7,301,852.87	
Motor Vehicles Branch.....	22,000,000.00	26,182,979.83	4,182,979.83	
	<u>\$101,030,000.00</u>	<u>\$113,292,085.46</u>	<u>\$12,262,085.46</u>	
Insurance.....	\$ 320,000.00	\$ 382,131.08	\$ 62,131.08	\$
Labour.....	486,000.00	491,690.15	5,690.15	
Lands and Forests.....	15,975,000.00	18,156,762.00	2,181,762.00	
Mines.....	5,584,000.00	5,160,269.13		423,730.87
Municipal Affairs.....	446,000.00	473,606.09	27,606.09	
Prime Minister.....	99,000.00	106,959.14	7,959.14	
Provincial Secretary.....	790,000.00	1,382,202.32	592,202.32	
Provincial Treasurer:				
Main Office—Subsidy.....	3,641,000.00	3,640,939.68		60.32
Interest.....	71,000.00	71,136.28	136.28	
Miscellaneous.....		4,467.12	4,467.12	
Liquor Control Board—				
Profits.....	36,000,000.00	45,000,000.00	9,000,000.00	
Transfer Fees.....	600,000.00	1,019,337.73	419,337.73	
Public Utilities Tax.....	670,000.00	1,096,520.00	426,520.00	
Controller of Revenue Br.:				
Tax Rental Agreement.....	131,000,000.00	134,447,814.89	3,447,814.89	
Succession Duty.....	15,000,000.00	20,164,463.60	5,164,463.60	
Hospitals Tax.....	6,000,000.00	6,746,549.29	746,549.29	
Race Tracks Tax.....	3,500,000.00	3,968,046.24	468,046.24	
Land Transfer Tax....	1,800,000.00	2,486,946.12	686,946.12	
Security Transfer Tax..	1,200,000.00	1,788,281.12	588,281.12	
Logging Tax.....	500,000.00	823,927.24	323,927.24	
Law Stamps.....	800,000.00	976,206.15	176,206.15	
Miscellaneous.....		4,973.02	4,973.02	
Motion Picture Censorship and Theatre Inspection Branch.....	262,000.00	283,920.49	21,920.49	
	<u>\$201,044,000.00</u>	<u>\$222,523,528.97</u>	<u>\$21,479,589.29</u>	<u>\$ 60.32</u>
Public Welfare.....	\$	\$ 6,504.20	\$ 6,504.20	\$
Public Works.....	40,000.00	113,872.17	73,872.17	
Reform Institutions.....	530,000.00	584,931.32	54,931.32	
Travel and Publicity.....	51,000.00	60,437.46	9,437.46	
Miscellaneous.....	100,000.00			100,000.00
	<u><u>\$334,733,000.00</u></u>	<u><u>\$372,973,315.71</u></u>	<u><u>\$38,764,106.90</u></u>	<u><u>\$523,791.19</u></u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1953, TO MARCH 31, 1954**

	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture.....	\$ 8,914,000.00	\$ 8,897,433.70	\$ 76,600.05	\$ 16,566.30
Attorney-General.....	10,971,000.00	11,047,600.05	3,862,107.96	
Education.....	78,004,000.00	81,866,107.96	6,485,373.10	
Health.....	45,908,000.00	52,393,373.10	14,805,859.90	
Highways.....	81,000,000.00	95,805,859.90	26,984.03	
Insurance.....	153,000.00	179,984.03		57,366.59
Labour.....	1,649,000.00	1,591,633.41		1,741.53
Lands and Forests.....	12,610,000.00	12,608,258.47		
Lieutenant-Governor.....	20,000.00	20,729.92	729.92	
Mines.....	1,084,000.00	1,032,509.39		51,490.61
Municipal Affairs.....	9,300,000.00	9,496,068.66	196,068.66	
Planning and Development.....	1,776,000.00	1,377,498.70		398,501.30
Prime Minister.....	295,000.00	371,511.54	76,511.54	
Provincial Auditor.....	269,000.00	254,140.17		14,859.83
Provincial Secretary.....	1,465,000.00	1,527,733.33	62,733.33	
Provincial Treasurer.....	3,832,000.00	4,801,875.39	969,875.39	
Public Welfare.....	26,201,000.00	23,700,124.99		2,500,875.01
Public Works.....	5,064,000.00	5,297,690.87	233,690.87	
Reform Institutions.....	6,058,000.00	5,935,258.73		122,741.27
Travel and Publicity.....	1,495,000.00	1,355,349.61		139,650.39
Govt. Stationery Account.....		23,359.64	23,359.64	
Miscellaneous.....	100,000.00			100,000.00
	<u>\$296,168,000.00</u>	<u>\$319,584,101.56</u>	<u>\$26,819,894.39</u>	<u>\$3,403,792.83</u>
Public Debt:				
Interest, Exchange, etc..	23,935,000.00	22,511,200.43		1,423,799.57
Sinking Fund Instalments	14,445,000.00	29,945,000.00	15,500,000.00	
	<u>\$334,548,000.00</u>	<u>\$372,040,301.99</u>	<u>\$42,319,894.39</u>	<u>\$4,827,592.40</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1953, TO MARCH 31, 1954**

	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER BUDGET INCREASE	DECREASE
Highways.....	\$ 2,105,000.00	\$ 1,942,615.49	\$ 1,169,726.80	\$ 162,384.5
Labour.....	9,500,000.00	10,669,726.80		814,327.0
Lands and Forests.....	2,625,000.00	1,810,672.96		5,728.8
Mines.....	70,000.00	64,271.16		
Planning and Development.....		146,159.96	146,159.96	
Provincial Secretary.....	4,760,000.00	6,834,200.53	2,074,200.53	
Provincial Treasurer.....	49,021,000.00	82,356,783.57	33,335,783.57	
Public Welfare.....		3,280.58	3,280.58	
Public Works.....		602,723.50	602,723.50	
	<u>\$ 68,081,000.00</u>	<u>\$104,430,434.55</u>	<u>\$37,331,874.94</u>	<u>\$ 982,440.5</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL PAYMENTS
FOR THE FISCAL YEAR APRIL 1, 1953, TO MARCH 31, 1954**

	BUDGET CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 9,950,000.00	\$ 9,483,501.00	\$	\$ 466,499.00
Highways.....	43,100,000.00	60,762,351.74	17,662,351.74	
Labour.....	9,500,000.00	9,967,471.30	467,471.30	
Lands and Forests.....	800,000.00	800,000.00		
Mines.....	1,000,000.00	848,097.61		151,902.39
Planning and Development	10,000,000.00	1,874,878.07		8,125,121.93
Provincial Secretary.....	2,195,000.00	2,379,776.97	184,776.97	
Provincial Treasurer.....	2,740,000.00	100,937,557.97	98,197,557.97	
Public Welfare.....		309.95	309.95	
Public Works.....	24,675,000.00	17,962,112.88		6,712,887.12
Miscellaneous.....	150,000.00	122,465.99		27,534.01
	<u>\$104,110,000.00</u>	<u>\$205,138,523.48</u>	<u>\$116,512,467.93</u>	<u>\$15,483,944.45</u>

COMPARATIVE SUMMARY

**NET INTERIM * AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDI-
TURE FOR THE FISCAL YEAR APRIL 1, 1953, TO MARCH 31, 1954**

	INTERIM	ACTUAL	ACTUAL OVER INTERIM
Net Ordinary Revenue.....	\$362,176,000.00	\$372,973,315.71	\$10,797,315.71
Less: Net Ordinary Expenditure (before providing for Sinking Funds).....	344,222,000.00	342,095,301.99	2,126,698.01
Surplus (before providing for Sinking Funds)..	\$ 17,954,000.00	\$ 30,878,013.72	\$12,924,013.72
Less: Provision for Sinking Funds.....	16,945,000.00	29,945,000.00	13,000,000.00
Surplus.....	<u>\$ 1,009,000.00</u>	<u>\$ 933,013.72</u>	<u>\$ 75,986.28</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1953, TO MARCH 31, 1954**

	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 987,000.00	\$ 1,087,233.23	\$ 100,233.23	\$
Attorney-General.....	3,629,000.00	3,763,511.62	134,511.62	
Education.....	1,310,000.00	1,325,151.41	15,151.41	
Health.....	3,908,000.00	4,062,439.96	154,439.96	
Highways:				
Main Office.....	650,000.00	807,252.76	157,252.76	
Gasoline Tax Branch....	85,000,000.00	86,301,852.87	1,301,852.87	
Motor Vehicles Branch...	23,000,000.00	26,182,979.83	3,182,979.83	
	<u>\$108,650,000.00</u>	<u>\$113,292,085.46</u>	<u>\$ 4,642,085.46</u>	
Insurance.....	\$ 358,000.00	\$ 382,131.08	\$ 24,131.08	\$
Labour.....	464,000.00	491,690.15	27,690.15	
Lands and Forests.....	17,500,000.00	18,156,762.00	656,762.00	
Mines.....	5,072,000.00	5,160,269.13	88,269.13	
Municipal Affairs.....	460,000.00	473,606.09	13,606.09	
Prime Minister.....	107,000.00	106,959.14		40.86
Provincial Secretary.....	1,308,000.00	1,382,202.32	74,202.32	
Provincial Treasurer:				
Main Office—				
Subsidy.....	3,641,000.00	3,640,939.68		60.32
Interest.....	71,000.00	71,136.28	136.28	
Miscellaneous.....	5,000.00	4,467.12		532.88
Liquor Control Board—				
Profits.....	42,000,000.00	45,000,000.00	3,000,000.00	
Transfer Fees.....	750,000.00	1,019,337.73	269,337.73	
Public Utilities Tax.....	470,000.00	1,096,520.00	626,520.00	
Controller of Revenue Br:				
Tax Rental Agreement	134,448,000.00	134,447,814.89		185.11
Succession Duty.....	19,500,000.00	20,164,463.60	664,463.60	
Hospitals Tax.....	6,702,000.00	6,746,549.29	44,549.29	
Race Tracks Tax.....	3,968,000.00	3,968,046.24	46.24	
Land Transfer Tax...	2,400,000.00	2,486,946.12	86,946.12	
Security Transfer Tax.	1,800,000.00	1,788,281.12		11,718.88
Logging Tax.....	700,000.00	823,927.24	123,927.24	
Law Stamps.....	950,000.00	976,206.15	26,206.15	
Miscellaneous.....		4,973.02	4,973.02	
Motion Picture Censorship and Theatre Inspection Branch.....	275,000.00	283,920.49	8,920.49	
	<u>\$217,680,000.00</u>	<u>\$222,523,528.97</u>	<u>\$ 4,856,026.16</u>	<u>\$ 12,497.19</u>
Public Welfare.....	\$ 6,000.00	\$ 6,504.20	\$ 504.20	\$
Public Works.....	116,000.00	113,872.17		2,127.83
Reform Institutions.....	564,000.00	584,931.32	20,931.32	
Travel and Publicity.....	57,000.00	60,437.46	3,437.46	
	<u>\$362,176,000.00</u>	<u>\$372,973,315.71</u>	<u>\$10,811,981.59</u>	<u>\$ 14,665.88</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1953, TO MARCH 31, 1954**

	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 8,972,000.00	\$ 8,897,433.70	\$	\$ 74,566.30
Attorney-General.....	11,010,000.00	11,047,600.05	37,600.05	
Education.....	81,928,000.00	81,866,107.96		61,892.04
Health.....	53,276,000.00	52,393,373.10		882,626.90
Highways.....	95,950,000.00	95,805,859.90		144,140.10
Insurance.....	177,000.00	179,984.03	2,984.03	
Labour.....	1,632,000.00	1,591,633.41		40,366.59
Lands and Forests.....	12,610,000.00	12,608,258.47		1,741.53
Lieutenant-Governor.....	19,000.00	20,729.92	1,729.92	
Mines.....	1,060,000.00	1,032,509.39		27,490.61
Municipal Affairs.....	9,458,000.00	9,496,068.66	38,068.66	
Planning and Development.....	1,422,000.00	1,377,498.70		44,501.30
Prime Minister.....	378,000.00	371,511.54		6,488.46
Provincial Auditor.....	261,000.00	254,140.17		6,859.83
Provincial Secretary.....	1,527,000.00	1,527,733.33	733.33	
Provincial Treasurer.....	4,762,000.00	4,801,875.39	39,875.39	
Public Welfare.....	24,410,000.00	23,700,124.99		709,875.01
Public Works.....	5,335,000.00	5,297,690.87		37,309.13
Reform Institutions.....	6,098,000.00	5,935,258.73		162,741.27
Travel and Publicity.....	1,354,000.00	1,355,349.61	1,349.61	
Govt. Stationery Account..	35,000.00	23,359.64		11,640.36
	<u>\$321,674,000.00</u>	<u>\$319,584,101.56</u>	<u>\$ 122,340.99</u>	<u>\$2,212,239.43</u>
Public Debt—				
Interest, Exchange, etc..	22,548,000.00	22,511,200.43		36,799.57
Sinking Fund Instalments	16,945,000.00	29,945,000.00	13,000,000.00	
	<u>\$361,167,000.00</u>	<u>\$372,040,301.99</u>	<u>\$13,122,340.99</u>	<u>\$2,249,039.00</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1953, TO MARCH 31, 1954**

	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER INTERIM INCREASE	DECREASE
Highways.....	\$ 1,720,000.00	\$ 1,942,615.49	\$ 222,615.49	\$
Labour.....	10,500,000.00	10,669,726.80	169,726.80	
Lands and Forests.....	2,030,000.00	1,810,672.96		219,327.04
Mines.....	83,000.00	64,271.16		18,728.84
Planning and Development.....	206,000.00	146,159.96		59,840.04
Provincial Secretary.....	6,827,000.00	6,834,200.53	7,200.53	
Provincial Treasurer.....	67,862,000.00	82,356,783.57	14,494,783.57	
Public Welfare.....		3,280.58	3,280.58	
Public Works.....	602,000.00	602,723.50	723.50	
	<u>\$ 89,830,000.00</u>	<u>\$104,430,434.55</u>	<u>\$14,898,330.47</u>	<u>\$297,895.92</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM * AND ACTUAL CAPITAL
PAYMENTS FOR THE FISCAL YEAR APRIL 1, 1953, TO MARCH 31, 1954**

	NET INTERIM CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 9,775,000.00	\$ 9,483,501.00	\$	\$ 291,499.00
Highways.....	73,150,000.00	60,762,351.74		12,387,648.26
Labour.....	10,010,000.00	9,967,471.30		42,528.70
Lands and Forests.....	800,000.00	800,000.00		
Mines.....	1,000,000.00	848,097.61		151,902.39
Planning and Development.....	2,000,000.00	1,874,878.07		125,121.93
Provincial Secretary.....	2,417,000.00	2,379,776.97		37,223.03
Provincial Treasurer.....	100,941,000.00	100,937,557.97		3,442.03
Public Welfare.....		309.95	309.95	
Public Works.....	19,436,000.00	17,962,112.88		1,473,887.12
Miscellaneous.....	65,000.00	122,465.99	57,465.99	
	<u>\$219,594,000.00</u>	<u>\$205,138,523.48</u>	<u>\$ 57,775.94</u>	<u>\$14,513,252.46</u>

*10 months' actual—2 months' forecast.

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1954, showing the percentage of each item to the total, classified by major categories, is presented in the following statement.

**PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1954**

NET ORDINARY REVENUE

		%
Tax Rental Agreement.....	\$134,447,814.89	36.05
Gasoline Tax.....	86,238,934.65	23.12
Liquor Profits, Fines, Transfer Fees, etc.....	45,000,000.00	12.06
Motor Vehicle Licences and Fees, etc.....	26,182,979.83	7.02
Succession Duty.....	20,164,463.60	5.41
Timber Dues, Bonus, etc.....	11,396,460.37	3.06
Hospitals Tax.....	6,746,549.29	1.81
Race Track Betting Tax.....	3,968,046.24	1.06
Mines Profit Tax.....	3,924,520.63	1.05
Fish and Wildlife Licences, Royalties, etc.....	3,800,735.42	1.01
Government of Canada—Annual Subsidies.....	3,640,939.68	.98
Ontario Hospitals—Maintenance of Patients.....	3,269,962.48	.88
All other revenues.....	24,191,908.63	6.41
	<u>\$372,973,315.71</u>	<u>100.0</u>

NET ORDINARY EXPENDITURE

		%
Highway Maintenance, Grants, etc.....	\$ 95,805,859.90	25.7
Education.....	81,866,107.96	22.0
Public Debt:		
Interest, etc.....	\$22,511,200.43	
Sinking Fund Instalments.....	29,945,000.00	
	52,456,200.43	14.1
Health Services.....	52,393,373.10	14.0
Public Welfare.....	23,700,124.99	6.3
Conservation of Forests, Fish and Wildlife.....	12,608,258.47	3.3
Law Enforcement.....	11,047,600.05	2.9
Agricultural Services, Grants, etc.....	8,897,433.70	2.3
Reform Institutions.....	5,935,258.73	1.6
Subsidy paid re Police and Fire Departments.....	5,000,341.43	1.3
All other expenditures.....	22,329,743.23	6.0
	<u>\$372,040,301.99</u>	<u>100.0</u>

Estimated gross expenditure for the year as shown on page 5 of the 1954 estimates was \$460,812,000.00. This amount does not include a supplementary estimate of \$30,850,000.00 voted by the Legislature at the 1954 session. Taking the supplementary estimate into account the total estimates for the year amount to \$491,662,000.00. The actual gross expenditure was \$597,951,961.38, a net increase of \$106,289,961.38. The following analysis summarizes the net increase in gross actual over total estimated gross expenditure.

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1954**

CLASSIFICATION	TOTAL ESTIMATED	GROSS ACTUAL	GROSS ACTUAL UNDER ESTIMATED	GROSS ACTUAL OVER ESTIMATED
Ordinary:				
Voted—Main Estimate.	\$282,494,650.00			
Supplementary.	30,850,000.00			
	<u>\$313,344,650.00</u>	<u>\$304,194,338.81</u>	<u>\$ 9,150,311.19</u>	
Statutory.....	68,314,350.00	81,857,232.23		\$ 13,542,882.23
Special Warrants.....		1,377,069.77		1,377,069.77
	<u>\$381,659,000.00</u>	<u>\$387,428,640.81</u>	<u>\$ 9,150,311.19</u>	<u>\$ 14,919,952.00</u>
Capital:				
Voted—Main Estimate.	\$ 85,969,000.00	\$ 64,977,139.21	\$20,991,860.79	
Statutory.....	24,034,000.00	145,546,181.36		\$121,512,181.36
	<u>\$110,003,000.00</u>	<u>\$210,523,320.57</u>	<u>\$20,991,860.79</u>	<u>\$121,512,181.36</u>
Total Expenditure.....	<u>\$491,662,000.00</u>	<u>\$597,951,961.38</u>	<u>\$30,142,171.98</u>	<u>\$136,432,133.36</u>

**Summary of Net Decreases or Increases in Gross Actual as compared
with Total Estimated Gross Expenditure**

CLASSIFICATION	DECREASE	INCREASE
Voted.....	\$30,142,171.98	
Statutory.....		\$135,055,063.59
Special Warrants.....		1,377,069.77
	<u>\$30,142,171.98</u>	<u>\$136,432,133.36</u>

The net decreases or increases in gross actual as compared with total estimated gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED

The Legislative Assembly authorized expenditure appropriations for the fiscal year under review in the amount of \$399,313,650.00 comprised of \$313,344,650.00 ordinary account and \$85,969,000.00 capital account. Actual gross expenditure charged to appropriations amounted to \$369,171,478.02 comprised of \$304,194,338.81 ordinary account and \$64,977,139.21 capital account. Thus the actual gross expenditure charged to appropriations authorized was \$30,142,171.98 less than the total amount authorized. In all cases where the actual expenditure exceeded the original appropriation, the necessary

authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$8,399,296.25, comprising \$7,489,296.25 ordinary account and \$910,000.00 capital account with actual expenditures relative thereto amounting to \$6,623,360.69, of which \$6,155,889.39 applied to Ordinary, and \$467,471.30 to Capital. These expenditures are included in the total gross expenditure of \$369,171,478.02 referred to above and are not in addition thereto.

Full details of treasury board orders issued and the amounts expended under this authority will be found on pages 33-41, of this report.

STATUTORY

The Estimates presented for the year 1953-54 forecast \$92,348,350.00 gross expenditure under statutory authority. This amount was divided \$68,314,350.00 to ordinary expenditure and \$24,034,000.00 to capital purposes. Actual gross statutory expenditure amounted to \$227,403,413.59, consisting of \$81,857,232.23 ordinary expenditure and \$145,546,181.36 capital expenditure excluding loan maturities and sinking fund investments. The actual total gross statutory outlay exceeded the estimate by \$135,055,063.59. This is the result of actual gross ordinary statutory expenditure exceeding the estimate by \$13,542,882.23 and actual gross capital statutory payments being \$121,512,181.36 in excess of the estimate. The excess of \$13,542,882.23 in gross ordinary statutory expenditure is accounted for by additional Sinking Fund instalments of \$15,500,000.00 made in respect of debenture issues and a net decrease of \$1,957,117.77 in all other items of gross ordinary statutory expenditure.

The total gross outlay on capital statutory account exceeded the related estimates by \$121,512,181.36. This difference arises as follows:

PAYMENTS OVER THE ESTIMATE:

Highways.....	\$ 29,442,217.35
Provincial Secretary:	
Public Service Superannuation Fund, etc.....	184,776.97
Provincial Treasurer:	
Special Advance, Hydro-Electric Power Commission	
of Ontario.....	100,000,000.00
Miscellaneous.....	298,557.97
	<u>\$129,925,552.29</u>

PAYMENTS UNDER THE ESTIMATE:

Agriculture:	
Bonus for Rural Primary and Secondary Lines.....	\$ 288,249.00
Planning and Development:	
Housing Branch.....	8,125,121.93
	<u>\$ 8,413,370.93</u>
Difference.....	<u>\$121,512,181.36</u>

SPECIAL WARRANTS

During the year expenditure in the amount of \$1,377,069.77 was made through special warrants under authority of subsection 3, section 13, of The Audit Act. The main items were as follows:

Agriculture:	
Subsidy for Cheddar Cheese.....	\$ 293,013.15
Health:	
Special Grants re building of Sanatoria and Hospitals.....	425,000.00
Municipal Affairs:	
Grants toward tornado damage.....	208,599.60
Reimbursements to Municipalities for decrease in 1953 telephone company tax revenue.....	254,216.72
Prime Minister:	
Grant to the Canadian National European Relief Fund...	100,000.00
	<u>\$1,280,829.47</u>

GENERAL:

I refer hereunder to certain matters relating to the operations of the year ended March 31, 1954.

During the year gross capital expenditures on King's Highways, Development Roads and Municipal Roads Subsidies amounted to \$59,151,328.94. Of this expenditure \$29,820,134.39 was made through Department of Highways capital expenditure and \$29,331,194.55 was paid out of the Highway Reserve Account. The total of \$59,151,328.94 is a decrease of \$3,992,877.22 from 1953. In addition \$848,097.61 was spent on Mining Roads.

A special advance of \$100,000,000.00 was made to the Hydro-Electric Power Commission of Ontario and is secured by Bonds of the Commission in an equivalent amount, as described more fully in the comments concerning Assets in a subsequent section of this report.

Capital payments were made to the Hydro-Electric Power Commission of Ontario in the amount of \$9,411,751.00 to assist in rural electrification projects. This was an increase of \$586,002.00 over 1953.

Public Works and Buildings were added to during the year by the capital expenditure of \$16,912,760.94, and General Works and Improvements by the capital expenditure of \$1,049,351.94.

Sinking Fund instalments of \$29,945,000.00 were provided through Ordinary Account.

Contributions by the Province to the Teachers' Superannuation Fund and the Public Service Superannuation Fund amounted to \$3,973,328.22 and \$1,770,208.05, respectively in accordance with the requirements of the respective enactments relative thereto.

A payment of \$1,000,000.00 was made by the Province to the Public Service Superannuation Fund as a special contribution of a portion of the amount by which the estimated liabilities exceed the assets of the Fund.

In addition a payment of \$1,000,000.00 was made by the Province to the Teachers' Superannuation Fund as a special contribution of a portion of the amount by which the estimated liabilities exceed the assets of the Fund. A similar special payment to the Fund was made in 1953. These two payments are a valuable addition to the assets of the Fund but no plan has been formulated by the Government to deal with the existing deficit in a systematic way. My report for 1951-52 contains comments on the Actuary's most recent report and also gives his recommendations for the minimum steps to be taken to place the Teachers' Superannuation Fund in order. The Fund is still in an unsatisfactory condition.

The actuarial survey of the Public Service Superannuation Fund has been completed and a report on the actuarial condition of the Fund as at March 31, 1952, was submitted to the Honourable L. M. Frost, Q.C., LL.D., on November 30, 1953, by Professor E. N. Sheppard of the University of Toronto. The Valuation Balance Sheet of the Fund shows a deficiency of \$46,220,000.00 as at March 31, 1952. The actuary states that this deficit is increasing by more than two million dollars each year. This means that the assets and receipts of the Fund are insufficient to provide for the contemplated superannuation benefits and the insufficiency is increasing each year.

It has now been demonstrated by actuarial valuations that the receipts of both the Teachers' Superannuation Fund and the Public Service Superannuation Fund composed of contributions from employees, together with contributions from the Government, Boards, Commissions and Municipalities and interest earned, are insufficient to meet the actuarial requirements of the Funds.

While this condition exists the deficits in the Funds will continue to increase. A study of the present basis of making contributions to the Funds should be undertaken without delay. This recommendation was also made in my previous report and no action has been taken. The present practice relieves the expenditure of the current fiscal year at the expense of the expenditures of future fiscal years.

As in previous reports, I strongly recommend that the Province adopt and implement the principle of providing in full for future superannuation benefits in the year in which the qualifying service is rendered.

AUDIT OF REVENUE

During the year systematic examinations have been made of the revenues of various departments in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures considered necessary. The system of internal control and accounting methods in operation was reviewed in the Departments visited. Comprehensive reports on the examinations were prepared and presented to the Ministers of the Departments concerned and to Officials of Boards and Commissions. As a result of these examinations, I am of the opinion that a full accounting is being made of the revenues of the Province.

A continuous audit is maintained of the revenues of the Province.

The survey of rates charged civil servants for houses, rooms, meals, etc., which was recommended in my previous reports is substantially complete. It is expected that the rates charged will be reviewed at reasonably frequent intervals to determine that adequate rates are maintained at all times.

The Comptroller of Revenue reports that the survey of service and license fees charged is continuing, together with consideration of fees arising from new and amended regulations to ensure that a fair return to the Province is provided for the services rendered and privileges granted.

AUDIT OF EXPENDITURE

In accordance with the requirements of The Audit Act, an audit has been maintained of the expenditures of the Province made during the fiscal year ended March 31, 1954.

Vouchers in some instances were admitted as satisfactory after audit tests had been performed under authority granted to the Auditor in section 11 of The Audit Act.

The economic growth of the Province is continuing and the resultant expansion of Government organization and expenditure has placed a direct and serious responsibility on the various Departments to increase efficiency and economy in their operations. Good organization and modern work methods will be required to produce the desired results.

Since my last report the Legislature has enacted The Financial Administration Act. This Act fills the need for more centralized financial authority in government administration. It requires continuing studies to be made by Treasury Department officials of administrative methods relating to fiscal accounts in all departments of government. It also consolidates under one legislative authority all matters dealing with revenues, custody of funds, disbursements and public debt. The studies required by this Act have already commenced and are becoming more numerous; they are instigated in some cases as a result of particular requests from departments and in others on the initiative of the Treasury Department. Departments of government are becoming aware of the value resulting from these surveys which in all cases lead to greater efficiency and economy in the conduct of government business.

During the year irregularities were discovered in the Fort William and Huntsville Divisions of the Department of Highways. Comprehensive examinations of contracts were made under my direction and as a result court proceedings were commenced and are still in progress.

A Select Committee of the Legislative Assembly was appointed and the personnel named on April 5, 1954. The Committee was appointed "to study all phases of the plan of organization and methods of operation in the Fort William division—and in such other divisions as the Committee deems necessary and to investigate any irregularities or irregular practices and to recommend improvements in organization and administrative practices of the Department of Highways to meet the growing volume of work of the Department."

I have reported to the Select Committee on my examinations from time to time. The members of the Committee have also been given a transcript of court proceedings to date. Since these proceedings are incomplete it is important to avoid any comments at this time, which might jeopardize these proceedings either from the point of view of the Crown or of the accused. However, it is confidently expected that court proceedings will be completed in time to enable me to report further to the Select Committee before the Legislature is next convened. In the meantime a re-organization of the Department went into effect in May last. The organization and administrative practices were changed and strengthened with the objective of enabling the Department to discharge its responsibilities effectively and at the same time maintain adequate control of its operations.

BALANCE SHEET

The Balance Sheet does not include as an asset the value of Crown timber, mineral wealth of Crown lands, Crown lands, water power, fish, game and fur.

The Balance Sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

I report hereunder on certain of the Assets and Liabilities as shown on the Balance Sheet at March 31, 1954.

ASSETS

CASH ON HAND AND IN BANKS—\$30,286,643.39

Cash in Chartered Banks.....	\$29,778,826.09
Province of Ontario Savings Office.....	507,817.30
	<u>\$30,286,643.39</u>

The cash on deposit in chartered banks for the account of the Treasury and the Province of Ontario Savings Office was verified by reconciliation with letters of confirmation received directly from the depositaries.

Cash on hand in the various branches of the Province of Ontario Savings Office was verified by reconciliation with letters of confirmation received directly from the responsible branch managers. The branches of the Savings Office were examined by Head Office inspectors at various unannounced times during the year.

LOANS AND ADVANCES—\$375,201,799.66

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES—SECURED BY BONDS—\$248,500,000.00

In accordance with the provisions of The Power Commission Act, as amended, debentures of the Province of Ontario were issued during the fiscal year ended March 31, 1954, and the proceeds of \$100,000,000.00 were advanced to the Hydro-Electric Power Commission of Ontario and will be utilized by the Commission among other things, to repay temporary loans of the Commission outstanding at the date of such advance and for capital expenditures on new construction.

As security for the advances, the Commission delivered to the Province of Ontario, bonds of the Hydro-Electric Power Commission of Ontario for the same principal amount and the same interest rate and terms as the related Province of Ontario debentures.

The balance of \$248,500,000.00 due from the Commission at March 31, 1954, is made up of a balance of \$148,500,000.00 from March 31, 1953, together with advances in the current year of \$100,000,000.00.

As at March 31, 1954, the Bond Branch of the Department of Provincial Treasurer held in safekeeping bonds of the Hydro-Electric Power Commission amounting to \$248,500,000.00 received as security for the advances. The securities held by the Province have been confirmed by a letter received direct from the Bond Branch of the Treasury Department.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES—UNSECURED—\$53,389,070.02

During the year ended March 31, 1954, the Commission repaid \$1,812,519.15 to the Province of Ontario on account of advances made under The Power Commission Act. The amount of \$1,812,519.15 received relates \$1,527,881.36 to the Southern Ontario System and \$284,637.79 to Northern Ontario Properties. The money originally advanced by the Province for the construction of fixed assets represented a portion of the proceeds of certain Provincial debenture issues. As the debentures mature the Province is repaid the portion originally advanced.

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,934.92

This amount represents advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$10,449,214.31

The assets of Housing Corporation Limited have decreased during the year by \$1,447,247.68. This is due to repayment of mortgage loans principal and application of the related funds to the reduction of the outstanding bank loans of the Corporation. In the same period the Reserve for Mortgage Loans, including principal and interest, was increased \$52,664.90 to a total of \$742,201.55.

As at March 31, 1954, there were 11,144 mortgage loans in the course of repayment. This is a reduction of 1,043 from last year. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

The assets and liabilities of Housing Corporation Limited have been included with the other accounts on the Balance Sheet of the Province. The balance sheet of Housing Corporation Limited is also shown separately in the Public Accounts on page 53.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT

LOAN CORPORATION—INVESTMENTS—\$3,373,504.12

Under The Junior Farmer Establishment Act, 1952, the Province guaranteed the indebtedness of The Ontario Junior Farmer Establishment Loan Corporation which is a corporation created by the Province for the purpose of making loans to assist young qualified farmers in the establishment, development and operation of their farms.

As of March 31, 1954, 541 loans were in course of repayment. No confirmation of outstanding loans was obtained from the borrowers concerned.

The assets and liabilities of The Ontario Junior Farmer Establishment Loan Corporation have been included with the other accounts on the Balance Sheet of the Province. The Balance Sheet of The Ontario Junior Farmer Establishment Loan Corporation is also shown separately in the Public Accounts on page 55.

THE ONTARIO MUNICIPAL IMPROVEMENT

CORPORATION—INVESTMENTS—\$16,114,408.87

Under The Ontario Municipal Improvement Corporation Act, the Province guaranteed the indebtedness of The Ontario Municipal Improvement Corporation, which is a corporation created by the Province for the purpose of purchasing from municipalities in Ontario debentures issued by them for certain municipal works and undertakings. Debentures of Ontario municipalities having a par value of \$16,026,193.86 have been purchased by the Corporation at a cost of \$15,907,318.01, which, together with accrued interest receivable amounting to \$207,090.86, makes up the Province's investment of \$16,114,408.87.

A schedule of debentures of Ontario Municipalities held by the Corporation at March 31, 1954, is presented below:

NAME	PURPOSE	PAR VALUE
Improvement District of Atikokan.....	Water and Sewers.....	\$ 297,500.00
Township of Bertie.....	Water.....	122,000.00
Town of Bracebridge.....	Water.....	84,000.00
Village of Bronte.....	Water.....	204,000.00
Burlington-Nelson Inter-Urban Area.....	Water.....	291,000.00
Township of Chappleau.....	Sewers.....	286,000.00
Village of Cobden.....	Water and Sewers.....	74,500.00
Town of Cochrane.....	Sewers.....	101,000.00
Village of Crystal Beach.....	Water and Sewers.....	135,000.00
Village of Delhi.....	Water and Sewers.....	20,000.00
Town of Dryden.....	Water.....	51,800.00
Village of Elmvale.....	Water.....	3,700.00
Township of Etobicoke.....	Water and Sewers.....	1,297,000.00
Town of Fort Frances.....	Water and Sewers.....	29,300.00
Town of Geraldton.....	Water.....	90,000.00
Township of Grantham.....	Water.....	79,000.00
Town of Hawkesbury.....	Water and Sewers.....	108,000.00
Town of Hearst.....	Water and Sewers.....	49,000.00
Village of Long Branch.....	Sewers.....	102,000.00
Village of Madoc.....	Water and Sewers.....	15,500.00
Town of Matheson.....	Water.....	10,400.00
Town of Mattawa.....	Water.....	173,300.00

Village of Morrisburg.....	Sewers.....	7,100.00
Township of McKim.....	Water and Sewers.....	620,900.00
United Townships of Neelon and Garson...	Water.....	163,200.00
Town of New Liskeard.....	Water and Sewers.....	108,500.00
City of Niagara Falls.....	Water.....	533,000.00
Township of Niagara.....	Sewers.....	42,900.00
Township of North York.....	Water and Sewers.....	1,496,367.59
Town of Oakville.....	Water.....	437,500.00
Town of Parry Sound.....	Water and Sewers.....	14,600.00
Village of Port Credit.....	Water.....	251,000.00
Village of Port McNicoll.....	Water.....	15,500.00
Improvement District of Red Rock.....	Water and Sewers.....	15,600.00
Town of Riverside.....	Sewers.....	121,858.00
Township of Sandwich East.....	Water and Sewers.....	164,648.27
Township of Sandwich West.....	Water.....	19,520.00
Township of Scarborough.....	Water.....	4,478,300.00
Township of Schreiber.....	Water.....	32,000.00
Town of Sioux Lookout.....	Water and Sewers.....	94,500.00
Village of South River.....	Water.....	107,000.00
Township of Stamford.....	Water.....	496,000.00
Town of Sturgeon Falls.....	Sewers.....	84,300.00
Village of St. Clair Beach.....	Water.....	9,200.00
City of Sudbury.....	Sewers.....	229,200.00
Township of Tay.....	Water.....	87,100.00
Township of Teck.....	Water and Sewers.....	90,000.00
Town of Tecumseh.....	Sewers.....	18,600.00
Town of Timmins.....	Sewers.....	93,700.00
Township of Toronto.....	Water.....	751,000.00
Township of West Ferris.....	Water.....	55,000.00
Township of Westminster.....	Sewers.....	21,000.00
Township of Widdifield.....	Water.....	35,700.00
City of Windsor.....	Water and Sewers.....	1,700,000.00
Township of Whitney.....	Sewers.....	7,400.00
		<hr/>
		\$16,026,193.86

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—

INVESTMENTS—\$3,710,450.07

Agricultural Development Board—Debentures.....	\$3,600,000.00
The Farm Loans Act—Farm Loans Associations.....	36,990.71
Capital Stock in Associations.....	2,145.00
Municipal Debentures—Village of West Lorne.....	71,314.36
	<hr/>
	\$3,710,450.07

During the year the principal sum of \$1,179,842.78 was received on account of the above investments.

Maturity dates of the Agricultural Development Board Debentures were originally related to the maturity dates of the loans issued. The maturity dates of many of these loans have been altered by re-amortization and re-issue to dates beyond the terms of the related debentures. It would seem, therefore, that these maturity dates will require amendment by Order-in-Council because of the difficulty which the Commissioner will experience in meeting all of the debentures as they fall due.

THE HOUSING DEVELOPMENT ACT—ADVANCES—\$3,733,325.14

During the year capital advances of \$1,874,878.07 were made under authority of the above Act in connection with certain joint housing projects which are controlled by the Government of Canada and the Province of Ontario acting in partnership to provide needed housing accommodation in Ontario.

In the same period \$146,159.96 has been received and applied as a reduction of the above advances pending any adjustments which may become necessary upon the completion of the various projects.

MUNICIPALITIES, ETC.—\$5,723,892.21

Co-operative Marketing Loans.....	\$1,091,508.00
Drainage Debentures.....	1,639,096.31
Sandwich, Windsor and Amherstburg Railway Company—Bonds.....	1,200,000.00
City of Windsor Municipal Debentures.....	1,785,350.65
Miscellaneous.....	7,937.25
	<hr/>
	\$5,723,892.21

Net decreases during the year were made in Co-operative Marketing Loans in the amount of \$90,027.00. This amount includes a transfer of \$33,121.44 to Other Loans and Advances for Loans considered doubtful of collection. The Sandwich, Windsor and Amherstburg Railway met a maturity of \$50,000.00 during the year and the City of Windsor paid off \$156,833.87 of its debentures at the due dates throughout the year. Drainage debentures were increased by a net amount of \$196,803.61.

GOVERNMENT OF CANADA—

DEBT ACCOUNT—\$2,848,289.52

There has been no change in this account during the year.

COMMON SCHOOL FUND—\$1,422,725.76

There has been no change in this account during the year.

BUILDINGS, ROADS, ETC.—\$852,124,214.22

Roads and Highways.....	\$678,687,017.72	
Less—Capital Expenditure to October 31, 1924, written off.....	72,034,557.86	
	<hr/>	\$606,652,459.86
Public Buildings, Public Works, etc.....		242,129,944.17
Niagara Parks Commission.....		3,341,810.19
		<hr/>
		\$852,124,214.22

Net capital expenditures amounting to \$59,859,616.25 were made during the year on Roads and Highways. This amount includes \$29,331,194.55 expended through Highway Reserve Account. The accumulated capital expenditures to date on Roads and Highways amount to \$678,687,017.72 stated at cost.

The highways built prior to 1924 have been either completely replaced or reconstructed to such an extent that it is now considered the cost of original construction should be written off. Accordingly the highway capital expenditure made prior to October 31, 1923, in the amount of \$67,141,801.81 has been written off and charged to Surplus, and in the current year a further amount of \$4,892,756.05 has been written off. These two amounts, totalling \$72,034,557.86 when deducted from the total expenditure leave a net book value at March 31, 1954, of \$606,652,459.86.

Net increases during the year were made to Public Buildings, Public Works, etc., in the amount of \$26,541,630.69 of which \$9,411,751.00 relates to Rural Power Bonus. No depreciation has been accrued on these assets.

The surplus account of the Niagara Parks Commission as at the close of its fiscal year, October 31, 1953, showed a balance of \$3,341,810.19, which is included in the accounts of the Province by authority of subsection 2, of section 14, of The Niagara Parks Act. This amount has been brought on the Balance Sheet through an adjustment to Surplus account.

It is reported that the salvaging of fire-damaged timber has been substantially completed. The capital investment of the Province in this operation has been fully recovered and in addition the sum of \$236,919.63 has been credited to ordinary revenue during the year.

THE LIQUOR CONTROL BOARD OF ONTARIO—

INVESTMENT—\$15,450,196.70

This amount corresponds with the Appropriated Surplus of The Liquor Control Board of Ontario as per the Balance Sheet of the Board as at March 31, 1954. It represents the amount retained by the Liquor Control Board for financing Accounts Receivable, Inventories, Prepaid Charges and fixed assets (less reserves).

OTHER LOANS AND ADVANCES—\$797,602.47

Co-operative Marketing Loans.....	\$182,371.44
Guaranteed Debentures and Interest Coupons redeemed by Province....	261,424.78
Home Bank (in Liquidation) Balance.....	213,000.00
Municipal Drainage Debentures.....	2,760.26
Promissory Notes Paid—Ottawa Separate Schools Commission.....	53,902.23
Settlers' Loans.....	81,472.17
Mothers' Allowances—Municipalities.....	1,530.00
Rural Power Districts—Domestic Loans.....	1,141.59
	<hr/>
	\$797,602.47

This represents a segregation of Loans and Advances which are in arrears or in default.

During the year co-operative marketing loans under this heading were increased \$33,121.44 by a transfer from the section, Municipalities, etc.

Guaranteed debentures have been reduced by \$5,777.53 and outstanding settlers' loans by \$6,542.20.

These assets are carried at book value as the ultimate realization value cannot be determined at this date.

DISCOUNT ON DEBENTURES—\$6,435,521.80

Discounts and premiums on Provincial debenture issues are amortized in each case over the term of the related issue. The unamortized balances comprising the above total are shown in detail in the Public Accounts of Ontario for 1953-54 on page 49.

ACCOUNTS RECEIVABLE—\$12,648,698.20

This is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for doubtful accounts and includes \$7,403,175.08 representing the unappropriated surplus of the Liquor Control Board of Ontario in the amount of \$7,176,540.72 together with amounts currently owing to the Province of Ontario in the amount of \$226,634.36 as shown by the Balance Sheet of the Board as at March 31, 1954.

The accounts receivable were submitted by Departmental Accountants. The reserves provided are considered adequate. This asset has been brought on the Balance Sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON BONDS SECURING ADVANCES TO
HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—\$1,802,883.55

The above amount represents interest accrued but not yet due at March 31, 1954. This asset has been brought on the Balance Sheet through an adjustment to Surplus Account. The principal amount of the bonds held is \$248,500,000.00 and is described more fully in a previous section of this report.

INTEREST RECEIVABLE (DUE AND ACCRUED)—\$976,934.34

There is owing to the Provincial Treasurer of Ontario \$3,176,934.34 for interest due and accrued on the debentures of the Agricultural Development Board. A reserve of \$2,200,000.00 is provided against the \$3,176,934.34 since a deficit of \$1,369,643.90 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectible. At the present time this reserve is considered to be adequate. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS—\$5,822,458.19

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued as in previous years on a basis not exceeding cost. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$852,337,500.00

Stocks and Debentures.....	\$997,231,500.00
Less—Sinking Funds.....	145,794,000.00
	<hr/>
	\$851,437,500.00
Sandwich, Windsor and Amherstburg Railway Company Bonds, due July 1, 1961—principal assumed.....	900,000.00
	<hr/>
	<u>\$852,337,500.00</u>

The details of Stocks and Debentures outstanding at March 31, 1954, are shown in the Public Accounts for 1953-54 on page 51.

The Sinking Funds amount to \$145,794,000.00 of which \$128,528,600.00 is invested in securities and \$17,265,400.00 is held as uninvested funds. The securities held consist of issues of the Province of Ontario, the Hydro-Electric Power Commission of Ontario, the Ontario Northland Transportation Commission, the Government of Canada and the United States of America. These have been verified by actual count with the exception of United States of America treasury bills held in safekeeping in New York City. The uninvested Funds have been verified from the records of the Provincial Treasurer.

UNFUNDED DEBT—\$183,146,584.57

DEMAND DEPOSITS WITH THE PROVINCE OF ONTARIO

SAVINGS OFFICE—\$59,356,513.46

Current deposits of \$59,304,339.50 and unclaimed balances of \$52,173.96 comprise this amount and these accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to depositors is similar to the liability of a Chartered Bank in regard to savings deposits.

SPECIAL FUNDS—\$38,013,561.76

Details of the balances included in this total are shown on page 52 of the Public Accounts. The liability arises primarily through the receipt of funds which are subject to future disbursement by the Province.

During the year the Public Service Superannuation Fund deposit of Uninvested Funds increased by \$8,758,538.79 to a balance of \$28,455,195.58.

The funds held for redemption of vacation-with-pay stamps increased by \$701,655.50 to a new balance of \$7,626,034.55 at March 31, 1954.

TEMPORARY LOANS—

TREASURY BILLS—\$500,000.00

During the fiscal year short term loans were made by the issuance of Treasury Bills. The details of the Treasury Bill which was outstanding as at March 31, 1954, are shown below and in the Public Accounts for 1953-54 on page 52.

Date of Maturity	Date of Issue	Rate %	Series	Where Payable	Amount Outstanding
June 8, 1954	December 8, 1953	2½	FI-2	Canada	\$500,000.00

HOUSING CORPORATION LIMITED—\$9,707,002.76

The liabilities of Housing Corporation Limited consist mainly of a bank loan of \$9,700,000.00 secured by promissory notes guaranteed by the Province of Ontario.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT

LOAN CORPORATION—\$3,327,099.51

The liabilities of The Ontario Junior Farmer Establishment Loan Corporation consist mainly of a bank overdraft of \$221,957.82, and bank loans of \$3,100,000.00.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—

\$15,779,171.72

The liabilities of The Ontario Municipal Improvement Corporation consist mainly of a bank overdraft of \$461,965.00, outstanding debentures of \$15,000,000.00 and accrued debenture interest of \$317,003.42.

HIGHWAY RESERVE ACCOUNT—\$41,168,805.45

This account was created under authority of clause 21 of The Highway Improvement Amendment Act, 1952, and during the fiscal year ended March 31, 1953, was credited with \$30,000,000.00 and no expenditures were made from the account. During the fiscal year ended March 31, 1954, an additional amount of \$40,500,000.00 was appropriated for the account by the Legislature, and expenditure on highway construction amounting to \$29,331,194.55 was charged to the account leaving a balance of \$41,168,805.45.

CORPORATIONS TAX RESERVE ACCOUNT—\$15,294,429.91

The Province of Ontario entered into a tax rental agreement with the Government of Canada by authority of The Corporations and Income Taxes Suspension Act, 1952. The \$15,294,429.91 in this Account represents amounts received prior to March 31, 1954, in respect of taxes on Corporations which accrued on or before December 31, 1951. As and when the tax rental agreement ceases to be in operation, the amounts set aside in this Account will be taken into ordinary revenue.

ACCOUNTS PAYABLE—\$2,505,846.76

This account incorporates the value of goods received and services rendered during the year which had not been paid for as at March 31, 1954. Of the total, \$2,273,676.15 arises from timber deposits and other credit balances of the Department of Lands and Forests. This liability has been brought on the Balance Sheet through an adjustment to Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$11,009,751.45

Interest accrued, but not yet due, at March 31, 1954, on debentures outstanding in the hands of the public accounts for \$10,998,913.95. This liability has been brought on the Balance Sheet through an adjustment to Surplus Account.

RESERVES—\$4,361,732.48

A net increase of \$184,440.83 occurred during the year. The main sources of this increase were \$86,369.18 added to the general reserve of The Ontario Municipal Improvement Corporation, \$52,664.90 added to the Reserve for Mortgage Loans Principal and Interest of Housing Corporation Limited and \$37,038.70 added to the Reserve for Mortgage Loans Principal and Interest of The Ontario Junior Farmer Establishment Loan Corporation.

SURPLUS—\$252,456,552.54

Surplus account has been increased during the year by a net amount of \$56,907,609.18. The principal items credited to Surplus account during the year were Surplus on Ordinary Account, \$933,013.72, Sinking Fund Instalments amounting to \$29,945,000.00, Accrued Interest of \$1,802,883.55 on bonds securing advances to the Hydro-Electric Power Commission of Ontario, \$29,331,194.55 for expenditure charged to Highway Reserve account during the fiscal year and a sundry item of \$1,171.54. Highway Capital Expenditures for the fiscal year ended October 31, 1924, in the amount of \$4,892,756.05 were written off and charged to Surplus, together with a net amount of \$212,898.13 relating to year-end adjustments of accounts receivable and payable, stores and materials and accrued interest.

Details of the changes in Surplus account for the year are shown in the Public Accounts for 1953-54 on page 8.

CONTINGENT LIABILITIES—\$784,951,048.91

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Municipalities, Commissions, Railways, Schools, Universities, etc., as shown in the Public Accounts for 1953-54 on pages 58-61 are in accordance with the authority granted in the governing statutes.

During the fiscal year contingent liabilities increased by \$63,443,223.41. The increase is due largely to an increase of \$60,000,000.00 in debenture issues of the Hydro-Electric Power Commission of Ontario, a net increase of \$3,807,000.00 in obligations of the Ontario Northland Transportation Commission, an increase of \$442,121.21 in the bank loan of the Ontario Food Terminal Board, a decrease of \$500,000.00 in the outstanding debentures of the Niagara

Parks Commission, a decrease of \$135,301.00 in bank loans to Co-operative Associations and a decrease of \$75,000.00 in the bank loan to the Ontario Stock Yards Board.

CHARTS AND STATEMENTS

Charts showing the trend in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ended March 31, 1954, are appended to this report on pages 31-32.

For many years statements of Gross Provincial Debt and Net Provincial Debt have appeared in the Public Accounts of the Province. Gross Provincial Debt has been stated as the sum of Funded Debt, Unfunded Debt and Income Liabilities. Net Provincial Debt has been stated as Gross Provincial Debt less Revenue-Producing and Realizable Assets. It has been decided that, as at March 31, 1954, and thereafter, the terms Gross Capital Debt and Net Capital Debt will be used, and the basis of calculation will be modified as follows.

The Gross Capital Debt of the Province is the sum of Funded and Unfunded Debt. Income Liabilities will not be included since they are not considered to be of a Capital nature.

The Net Capital Debt is arrived at by deducting from the Gross Capital Debt the total of Revenue-Producing and Realizable Assets. The total of Revenue-Producing and Realizable Assets does not include Accounts Receivable and Interest Receivable as in the past.

In order to provide comparisons between the Gross and Net Capital Debt for the fiscal years ended March 31, 1954, and March 31, 1953, the tabulations in the Public Accounts as at March 31, 1954, show the figures for both years on the revised basis. The related chart appended to this report shows Gross and Net Provincial Debt for the fiscal years ended March 31, 1945, to March 31, 1952, inclusive and Gross and Net Capital Debt for the fiscal years ended March 31, 1953 and 1954 inclusive.

Statements showing details of the Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1954, and Special Warrants issued during the fiscal year ended March 31, 1954, are submitted in separate sections immediately following the charts referred to above.

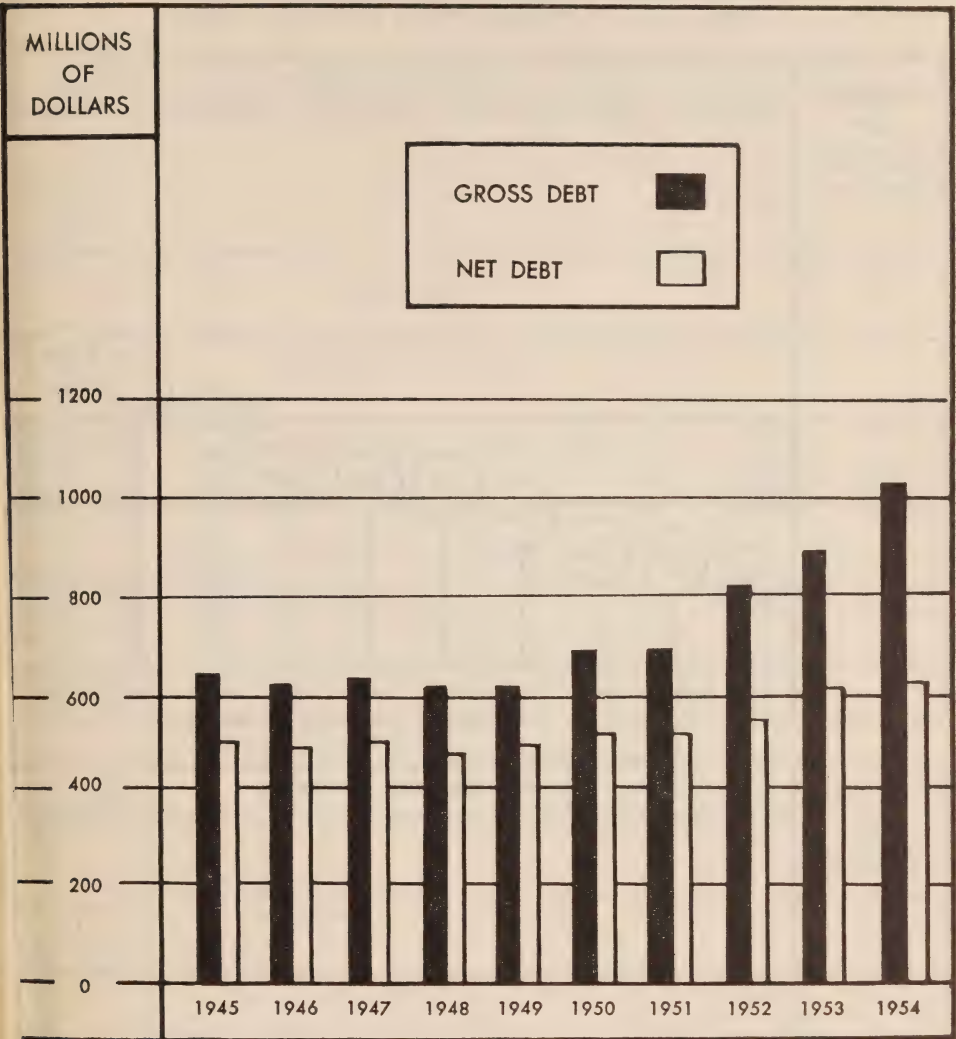
I wish to express my appreciation to the officials and staff of the various departments, boards and commissions for the co-operation extended to this office during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 29, 1954.

PROVINCE OF ONTARIO

GROSS AND NET DEBT*
FOR THE TEN YEARS ENDED MARCH 31, 1954

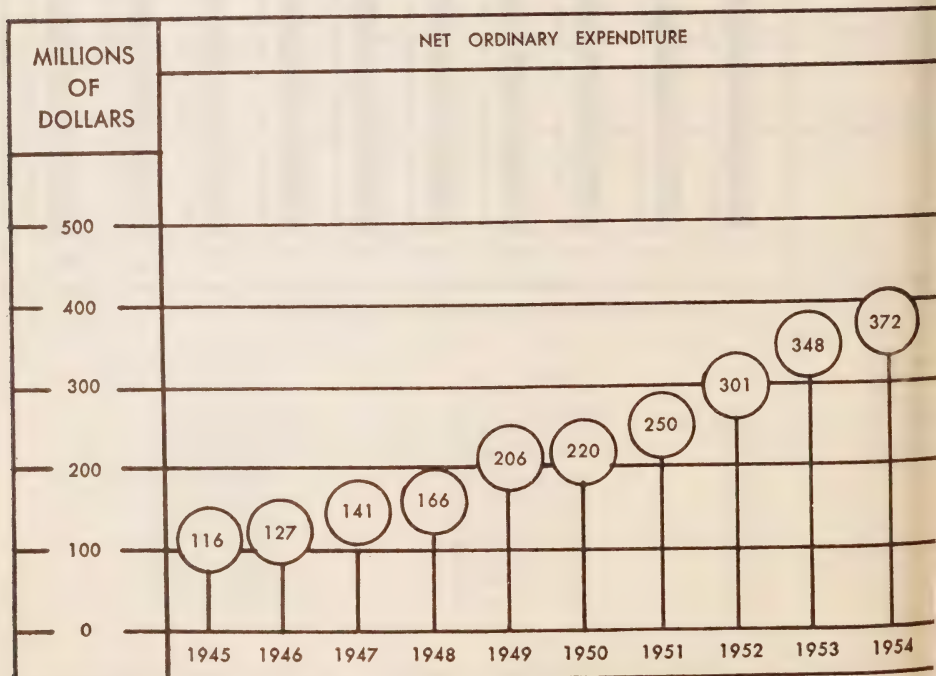
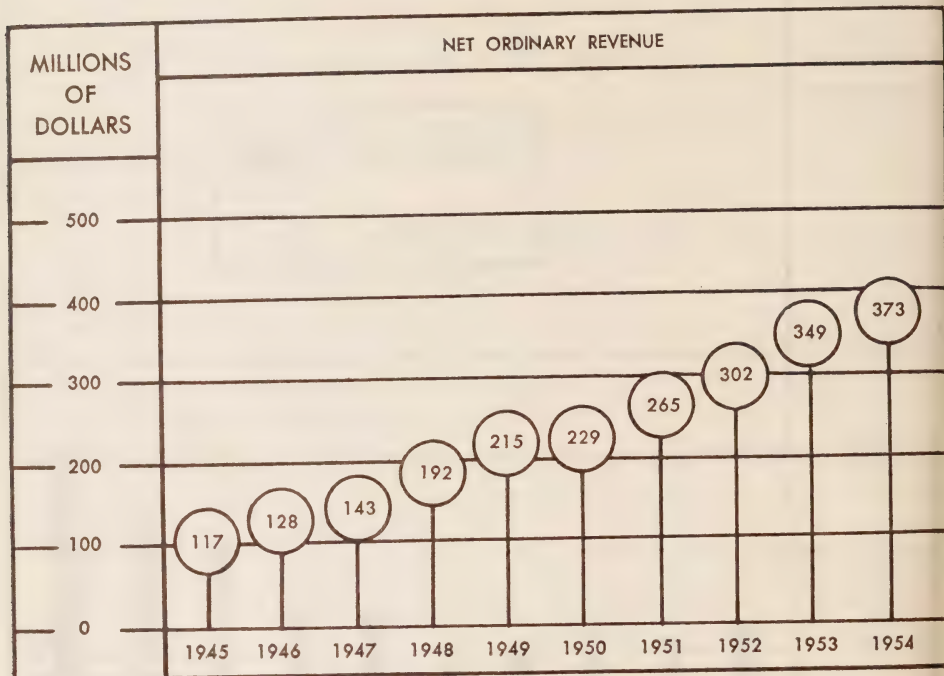


Gross and Net Debt per Public Accounts*

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1945	\$646,483,511.60	\$480,308,957.15
1946	639,315,323.52	478,419,323.59
1947	645,221,457.67	493,087,004.24
1948	628,388,019.47	466,753,485.97
1949	628,662,860.20	483,675,155.06
1950	694,009,334.65	508,819,331.50
1951	697,963,424.22	521,550,164.38
1952	826,228,266.17	554,634,803.58
1953	884,231,206.19	604,832,094.07
1954	1,035,484,084.57	629,995,641.52

*Gross and Net Provincial Debt, 1945-1952.
Gross and Net Capital Debt 1953-1954.

PROVINCE OF ONTARIO

NET ORDINARY REVENUE AND EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1954

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE
AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS,
DURING THE FISCAL YEAR ENDED MARCH 31, 1954

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Agriculture		
	Main Office:		
Mar. 11, 1954	Salaries.....	4,500.00	4,469.75
Feb. 2, 1954	Workmen's Compensation Board—Awards and Costs.....	2,000.00	1,512.21
Feb. 2, 1954	Cost of Living Bonus.....	30,000.00	25,923.19
Mar. 11, 1954	Unemployment Insurance Stamps.....	1,000.00	358.19
	Agricultural and Horticultural Societies Branch:		
Mar. 11, 1954	Salaries.....	2,000.00	1,659.81
Dec. 10, 1953	Travelling Expenses.....	800.00	46.96
Dec. 10, 1953	Field Crop Competitions, etc.....	1,725.00	1,464.13
Mar. 11, 1954	Grants to Agricultural Societies and Other Exhibi- tion Associations for Capital Improvement...	55,500.00	48,898.75
Dec. 10, 1953	Grants re Plowing Matches.....	1,000.00	819.18
	Agricultural Representative Branch:		
	County and District Offices:		
	Agricultural Representative Work, Services, Expenses, etc.		
Mar. 11, 1954	Order.....	\$10,000.00	
Apr. 13, 1954	Order.....	7,000.00	
		17,000.00	13,005.66
	Farm Economics Branch:		
Mar. 11, 1954	Travelling Expenses.....	1,500.00	1,470.44
	Fruit Branch:		
Mar. 11, 1954	Fruit Work, including Expenditure under The Plant Diseases Act.....	26,500.00	14,073.03
	Live Stock Branch:		
Apr. 13, 1954	Travelling Expenses.....	6,500.00	1,648.95
Oct. 8, 1953	Grants.....	18,000.00	15,226.44
	Northern Ontario Branch:		
Apr. 13, 1954	Services and Expenses in connection with Agri- cultural Work.....	40,000.00	39,877.60
	Women's Institute Branch and Home Economics Service:		
Mar. 11, 1954	Salaries.....	1,000.00	635.27
	Horticultural Experiment Station, Vineland:		
Apr. 13, 1954	Fruit Merchandising Experimental Work.....	750.00	744.06
	Ontario Agricultural College, Guelph:		
Feb. 2, 1954	Expenses.....	67,000.00	66,986.28

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Agriculture—Continued				
Mar. 11, 1954	Ontario Veterinary College, Guelph: Apparatus, Telephone Service, Maintenance, etc., and Contingencies.....	10,000.00		9,888.22	
Mar. 11, 1954	Extension (Regional Office and Laboratories)...	6,000.00		5,915.82	
Feb. 2, 1954	Disease Prevention, Experimental Disease Station (Farm).....	750.00		744.84	
Mar. 11, 1954	Western Ontario Agricultural School and Experi- mental Farm, Ridgetown: Salaries.....	6,000.00		5,959.32	
		299,525.00		261,328.10	
	Department of Attorney-General				
Apr. 13, 1954	Main Office: Cost of Living Bonus.....	1,500.00		820.36	
Mar. 11, 1954	Office of The Legislative Counsel: Salaries.....	500.00		392.53	
Dec. 17, 1953	Supreme Court Reporters: Salaries, including Allowance in lieu of Stationery Order.....	\$8,000.00			
Mar. 11, 1954	".....	100.00			
Feb. 2, 1954	Services Reporting and Travelling Expenses....	8,100.00		8,010.90	
		1,500.00		1,497.70	
Dec. 17, 1953	Criminal Justice Accounts: Counties and Cities: Administration of Justice— Order.....	\$75,000.00			
Apr. 13, 1954	".....	50,000.00			
		125,000.00		124,894.67	
Dec. 17, 1953	Districts: Salaries: Order.....	\$30,000.00			
Mar. 11, 1954	".....	8,000.00			
		38,000.00		37,342.16	
Mar. 11, 1954	General Administration of Justice, etc.— Order.....	\$30,000.00			
Apr. 13, 1954	".....	30,000.00			
		60,000.00		57,386.83	
Dec. 17, 1953	Accountant's Office—Supreme Court of Ontario: Auditor's Fees.....	500.00		500.00	
Feb. 2, 1954	Fire Marshal's Office: Travelling Expenses.....	3,000.00		1,539.21	
Dec. 17, 1953	Inspector of Legal Offices: Inspector's Office: Salaries.....	6,000.00		4,721.90	
Dec. 17, 1953	Travelling Expenses.....	3,000.00		790.55	
Dec. 17, 1953	Maintenance.....	1,500.00		409.89	
Mar. 11, 1954	Toronto and York Crown Attorneys: Salaries.....	500.00		306.31	
Dec. 17, 1953	Sheriffs, Local Registrars, S.C.O., Surrogate Registrars, County and District Court Clerks: Salaries: Order.....	\$5,000.00			
Mar. 11, 1954	".....	3,000.00			
		8,000.00		7,783.9.	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Attorney-General—Continued		
	Inspector of Legal Offices—Continued		
	Judicial Officers in Districts:		
Dec. 17, 1953	Maintenance.....	7,000.00	4,397.21
	Law Enforcement Branch:		
Dec. 17, 1953	Travelling Expenses.....	190,000.00	189,795.64
Dec. 17, 1953	Maintenance.....	21,000.00	20,669.48
		475,100.00	461,259.29
	Department of Education		
	Secondary Education Branch:		
	Provincial Institute of Trades, Toronto:		
	Salaries:		
May 29, 1953	Order.....\$60,000.00		
Dec. 17, 1953	".....45,000.00	105,000.00	98,297.93
Mar. 11, 1954	Maintenance.....	6,000.00	5,887.14
	Buildings—Completion of Erection and Alterations—		
May 29, 1953	Order.....\$210,000.00		
Mar. 11, 1954	".....36,000.00	246,000.00	245,984.31
	Legislative Grants, etc.:		
Dec. 17, 1953	Cost of Education of Non-Resident Pupils, etc.	50,000.00	31,976.54
		407,000.00	382,145.92
	Department of Health		
	Main Office:		
Oct. 8, 1953	Payment of Hospitalization for Indigent Immigrants.....	20,000.00	3,259.92
Apr. 13, 1954	Compensation, etc., re Tuberculosis contracted by a Workman employed in a Hospital, etc..	45,000.00	43,355.10
Apr. 13, 1954	Grants: County Councils carrying on School Medical Inspections.....	2,700.00	2,650.06
Apr. 13, 1954	Maternal and Child Hygiene Branch: Cost of Examination for Expectant Mothers....	70,000.00	69,955.00
Apr. 13, 1954	Nursing Branch: Maintenance.....	500.00	448.25
Feb. 2, 1954	Epidemiological Branch: Outbreaks of Diseases, Sanitary Investigations, etc.....	970,000.00	736,020.98
Apr. 13, 1954	Maintenance.....	700.00	519.44
	Tuberculosis Prevention Branch:		
	Grants, etc.:		
Apr. 13, 1954	Sanatoria.....	270,000.00	269,699.25
Apr. 13, 1954	Maintenance of Patients (Ontario Residents in Sanatoria in other Provinces).....	10,000.00	9,997.00
Apr. 13, 1954	Tuberculosis Prevention Clinics: Salaries.....	1,000.00	704.32
	Hospitals Branch:		
Apr. 13, 1954	Public and Private Hospitals Division: Travelling and Incidental Expenses for the Removal and Escort of Indigent Patients, etc.....	3,000.00	2,966.36

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Health—Continued				
	Hospital Branch—Continued				
Apr. 13, 1954	Public and Private Hospitals Division—Continued Psychiatric Services in Local Communities or in Public Hospitals.....	1,500.00		234.49	
Apr. 13, 1954	Ontario Hospitals Division—General Expenses: Workmen's Compensation Board—Awards and Costs.....	11,000.00		7,291.24	
Apr. 13, 1954	Unemployment Insurance Stamps.....	500.00		387.68	
Apr. 13, 1954	Ontario Hospitals: Ontario Hospital School, Orillia: Maintenance.....	45,000.00		43,946.80	
Apr. 13, 1954	Toronto Psychiatric: Maintenance.....	8,000.00		7,777.44	
		1,458,900.00		1,199,213.33	
	Department of Highways				
Feb. 2, 1954	Main Office: Travelling Expenses.....	50,000.00		34,582.77	
Apr. 13, 1954	Contingencies.....	150,000.00		103,117.98	
Apr. 20, 1954	Roads Publicity.....	2,500.00		1,034.27	
Mar. 11, 1954	Division Offices: Salaries.....	15,000.00			
Jan. 14, 1954	Municipal Roads Branch: Development Roads (The Highway Improvement Act, Section 54).....	100,000.00			
Apr. 20, 1954	Municipal Subsidies (The Highway Improvement Act, Sections 18, 23, 27, 28, 28A, 33, 43, 46, 47, 49, 50 and 58).....	3,000,000.00		2,410,681.16	
Mar. 11, 1954	Motor Vehicles Branch: Maintenance.....	35,000.00		14,007.59	
Mar. 11, 1954	Registration Plates and Supplies— Order.....\$85,000.00				
Apr. 20, 1954	".....20,000.00	105,000.00		99,638.40	
Mar. 11, 1954	Fees, etc.....	20,000.00		17,263.95	
		3,477,500.00		2,680,326.12	
	Department of Insurance				
Oct. 8, 1953	Salaries.....	12,000.00		7,577.37	
Mar. 11, 1954	Travelling Expenses.....	1,000.00		524.53	
Oct. 8, 1953	Maintenance— Order.....\$14,000.00				
Mar. 11, 1954	".....4,000.00	18,000.00		17,981.22	
Oct. 8, 1953	Cost of Living Bonus.....	1,500.00		1,031.24	
		32,500.00		27,114.36	
	Department of Labour				
Feb. 2, 1954	Main Office: Salaries.....	12,000.00		11,649.00	
Apr. 13, 1954	Travelling Expenses.....	2,000.00		1,131.90	
Dec. 17, 1953	Maintenance— Order.....\$4,000.00				

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
	Department of Labour—Continued	\$ c.	\$ c.
	Main Office—Continued		
	Maintenance—Continued		
Apr. 13, 1954	Order.....	1,000.00	
Apr. 13, 1954	".....	1,000.00	
		6,000.00	5,547.76
	General Stores, Purchase of Stationery, etc.—		
Apr. 13, 1954	Order.....	\$2,000.00	
Apr. 13, 1954	".....	2,000.00	
		4,000.00	3,897.00
	Conciliation Boards (Commissioners, etc.)—		
Oct. 8, 1953	Order.....	\$40,000.00	
Feb. 2, 1954	".....	20,000.00	
		60,000.00	47,633.62
Mar. 11, 1954	Cost of Living Bonus.....	2,000.00	
Dec. 17, 1953	Unemployment Insurance Stamps.....	200.00	
	Industry and Labour Board:		
Feb. 2, 1954	Maintenance.....	5,000.00	798.36
	Bank Commissions:		
Mar. 11, 1954	Charges for Sale and Cashing of Vacation- with-Pay Stamps.....	5,000.00	
	Apprenticeship Branch:		
	Maintenance—		
Dec. 17, 1953	Order.....	\$2,000.00	
Apr. 13, 1954	".....	1,000.00	
		3,000.00	2,468.73
	Boiler Inspection Branch:		
Feb. 2, 1954	Salaries.....	7,500.00	6,926.79
Mar. 11, 1954	Maintenance.....	2,000.00	1,966.00
	Factory Inspection Branch:		
Feb. 2, 1954	Salaries.....	2,500.00	2,229.88
Mar. 11, 1954	Maintenance.....	1,000.00	
	Board of Examiners of Operating Engineers:		
	Maintenance—		
Mar. 11, 1954	Order.....	\$2,000.00	
Apr. 13, 1954	".....	1,000.00	
		3,000.00	2,833.78
	Minimum Wage Branch:		
Apr. 13, 1954	Maintenance.....	500.00	40.11
	Composite Inspection Branch:		
Feb. 2, 1954	Salaries.....	1,000.00	
	Labour Relations Board:		
Mar. 11, 1954	Salaries.....	2,000.00	1,108.41
Apr. 13, 1954	Per Diem Allowances.....	500.00	200.00
Apr. 13, 1954	Maintenance.....	1,000.00	958.74
	Office of Athletics Commissioner:		
Dec. 17, 1953	Travelling Expenses.....	500.00	224.95
Dec. 10, 1953	Maintenance.....	3,000.00	1,444.15
		123,700.00	91,059.32
	Department of Lands and Forests		
	Main Office:		
Apr. 13, 1954	Workmen's Compensation Board— Awards and Costs.....	15,000.00	9,616.48

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Lands and Forests—Continued				
	Field Services:				
Apr. 13, 1954	Research Branch:				
	Salaries, etc., Maintenance and Operating . . .	10,000.00		8,552.87	
Apr. 13, 1954	Basic Organization—District Offices (including Provincial Parks, etc.):				
	Maintenance and Operating	150,000.00		147,749.00	
Dec. 17, 1953	Extra Fire Fighting:				
	Salaries, etc., Maintenance and Operating . . .	175,000.00		156,705.53	
		350,000.00		322,623.88	
	Department of Mines				
Dec. 17, 1953	Main Office:				
	Maintenance of Mining Roads	6,500.00		5,363.68	
Mar. 11, 1954	Sulphur Fumes Arbitrator:				
	Salary, Travelling and Other Expenses	800.00		663.89	
Mar. 11, 1954	Mining Lands Branch:				
	Salaries, Equipment, Travelling and Other Expenses	6,500.00		5,674.01	
		13,800.00		11,701.58	
	Department of Planning and Development				
Dec. 17, 1953	Main Office:				
	Salaries	4,500.00		3,735.87	
Dec. 10, 1953	Travelling Expenses—				
Apr. 13, 1954	Order \$1,800.00				
	" 121.25				
		1,921.25		1,910.93	
Dec. 17, 1953	Community Planning Branch:				
Mar. 11, 1954	Salaries	12,000.00		10,805.13	
	Maintenance	500.00		494.62	
Mar. 11, 1954	Conservation Branch:				
	Publications	5,000.00		2,052.37	
Apr. 13, 1954	Immigration Branch:				
	Salaries	600.00		555.71	
Mar. 11, 1954	Trade and Industry Branch:				
	Chicago Branch Office:				
	Administration Expenses, etc.	1,500.00			
		26,021.25		19,554.63	
	Office of Prime Minister				
Mar. 11, 1954	Main Office:				
	Travelling Expenses	2,500.00		2,145.90	
Apr. 13, 1954	Cabinet Office:				
	Maintenance	1,500.00		1,416.65	
		4,000.00		3,562.55	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Provincial Secretary		
	Main Office:		
Mar. 11, 1954	Travelling Expenses	500.00	116.41
Mar. 11, 1954	Cost of Living Bonus	2,500.00	1,671.32
	Office of The Speaker:		
Mar. 11, 1954	Salaries	3,000.00	2,277.92
Mar. 11, 1954	Maintenance	500.00	234.38
	Sessional Requirements:		
Apr. 13, 1954	Clerks of Committees, Sergeant-at-Arms, Messengers, Pages, Sessional Writers, etc.	3,000.00	2,444.83
May 19, 1953	Committee Fees, etc.—		
Dec. 10, 1953	Order	\$50,000.00	
	"	50,000.00	
		100,000.00	99,057.72
	Civil Service Commission:		
Dec. 10, 1953	Quarter Century Club—Ontario Public Service —Insignia	1,500.00	1,479.25
		111,000.00	107,281.83
	Department of Provincial Treasurer		
	Main Office:		
Mar. 11, 1954	Grant: Canadian Thoroughbred Horse Society ..	7,000.00	6,512.25
	Bureau of Statistics and Research:		
Mar. 11, 1954	Salaries	3,000.00	1,331.00
Mar. 11, 1954	Maintenance	1,500.00	731.53
	Motion Picture Censorship and Theatre		
	Inspection:		
Mar. 11, 1954	Travelling Expenses	1,000.00	99.97
	Tabulating Branch:		
Mar. 11, 1954	Salaries	1,000.00	621.81
		13,500.00	9,296.56
	Department of Public Welfare		
	Child Welfare Branch:		
Apr. 13, 1954	Services and Expenses re Administration of The Children's Protection Act, etc.	17,000.00	4,246.65
Apr. 13, 1954	Subsidy for Protection Services	50,000.00	44,771.60
	Disabled Persons' Allowances Branch:		
Jan. 14, 1954	Allowances in accordance with The Disabled Persons' Allowances Act	340,000.00	292,860.18
Jan. 14, 1954	Medical Services	8,000.00	6,146.35
		415,000.00	348,024.78
	Department of Public Works		
	Main Office:		
Mar. 11, 1954	Workmen's Compensation Board— Awards and Costs	16,000.00	14,350.99

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Public Works—Continued				
Mar. 11, 1954	Main Office—Continued Cost of Living Bonus.....	5,000.00		2,550.17	
Mar. 11, 1954	Public Buildings—Maintenance and Repairs: Legislative and Departmental Buildings: Maintenance Staff—Salaries.....	35,000.00		21,783.99	
Mar. 11, 1954	Government Buildings: Repairs, Alterations and Incidentals.....	100,000.00		88,190.06	
Mar. 11, 1954	Ontario Government Branch Office Buildings: General—Rental and Caretaking of Leased Premises and Expenses in connection therewith.....	3,000.00		762.49	
		159,000.00		127,637.70	
	Department of Reform Institutions				
Mar. 11, 1954	Main Office: Travelling Expenses.....	3,000.00		2,964.57	
Mar. 11, 1954	Maintenance.....	5,000.00		4,207.25	
Mar. 11, 1954	Prisoners' Removal and Other Expenses.....	10,000.00		7,859.24	
Mar. 11, 1954	Grants.....	9,000.00			
Mar. 11, 1954	Ontario Reformatories: Mimico: Industries.....	5,000.00		4,720.22	
Jan. 14, 1954	Industrial Farms: Burwash: Industries.....	40,000.00		39,979.21	
Jan. 14, 1954	Burtch-Brantford: General Maintenance.....	22,000.00		20,376.60	
Dec. 17, 1953	Industries.....	25,000.00		20,750.80	
		119,000.00		100,857.89	
	Department of Travel and Publicity				
Mar. 11, 1954	Main Office: Travelling Expenses.....	400.00		326.89	
Mar. 11, 1954	Unemployment Insurance Stamps.....	50.00		21.42	
Mar. 11, 1954	Development Branch: Maintenance.....	1,000.00		890.46	
Dec. 10, 1953	Photography Branch: Travelling Expenses.....	1,500.00		1,116.07	
Mar. 11, 1954	Public Information Division: Maintenance.....	800.00		546.71	
		3,750.00		2,901.55	
	Total Ordinary Treasury Board Orders	7,489,296.25		6,155,889.39	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	CAPITAL		
	Department of Highways		
Feb. 2, 1954	Municipal Roads Branch: Contingencies.....	10,000.00	.....
	Department of Labour		
Oct. 8, 1953	Industry and Labour Board: Payment of Claims re Vacation-with-Pay Stamps	600,000.00	467,471.30
	Department of Provincial Treasurer		
Sept. 1, 1953	Accountable Funds.....	300,000.00	.....
	Total Capital Treasury Board Orders.....	910,000.00	467,471.30
	Total Treasury Board Orders.....	8,399,296.25	6,623,360.69

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR ENDED MARCH 31, 1954

DATE OF WARRANT	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	ORDINARY				
	Department of Agriculture				
June 11, 1953	The Ontario Cheese Producers' Association Ltd., for the Payment of a Subsidy on Cheddar Cheese Produced and Manufactured in Ontario during the period from July 1 to December 31, 1952...	300,000.00		293,013.15	
June 23, 1953	Grant to the Township of Somerville, County of Victoria, for Coboconk Skating Arena.....	500.00		500.00	
June 23, 1953	Expenses in connection with the Meeting of the Associated Country Women of the World, held in Toronto, August 12 to 23, 1953.....	20,000.00		18,649.75	
		320,500.00		312,162.90	
	Department of Attorney-General				
May 14, 1953	Compassionate Allowance to the Widow of the late Norman F. Maker, Provincial Constable.....	550.00		550.00	
	Department of Education				
July 22, 1953	Assistance in Payment of Cost of Education of Retarded Children.....	125,000.00		44,119.89	
	Department of Health				
Nov. 26, 1953	Payment of Basic Administrative Expenditures of the Ontario Heart Foundation for the period July 1, 1953 to March 31, 1954.....	8,000.00		3,947.09	
Jan. 28, 1954	Special Grant to the Sudbury and Algoma Sanatorium Association, Sudbury, Ontario, to assist in Liquidating Outstanding Obligations in connection with their Building Programme.....	200,000.00		200,000.00	
Feb. 4, 1954	Special Capital Grant to the St. Catharines General Hospital to assist with their Building Programme	150,000.00		150,000.00	
Feb. 4, 1954	Special Capital Grant to the Lord Dufferin Hospital, Orangeville, Ontario, to assist with their Building Programme.....	75,000.00		75,000.00	
		433,000.00		428,947.09	

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Office of Lieutenant-Governor		
Apr. 23, 1953	Expenses of His Honour the Lieutenant-Governor in attending the Coronation.....	3,000.00	3,000.00
	Department of Municipal Affairs		
Aug. 13, 1953	Payment of Grants towards the cost of Tornado Damage suffered May 21 and 24, 1953.....	300,000.00	208,599.60
Dec. 3, 1953	Reimbursement to Municipalities for the decreased amount of Taxes they were permitted to collect in 1953 due to the retroactive amendment made to the Assessment Act limiting the Taxation on the Gross Receipts of a Telephone Company to 4% of the said Gross Receipts.....	300,000.00	254,216.72
		600,000.00	462,816.32
	Office of Prime Minister		
Nov. 26, 1953	Payment of Accounts incurred, in sending One Million Cigarettes to Her Majesty's Forces in Korea and Europe for Christmas.....	4,250.00	4,250.00
Apr. 23, 1953	Grant to the Canadian National European Flood Relief Fund.....	100,000.00	100,000.00
		104,250.00	104,250.00
	Department of Public Welfare		
Sept. 17, 1953	Payment of the Burial of Fritz Helmut.....	125.00	62.50
Dec. 3, 1953	Payment of the Burial of Oskar Reithel.....	130.00	52.00
		255.00	114.50
	Department of Reform Institutions		
May 21, 1953	Grant to the Canadian Penal Association to assist in defraying the Expenses connected with the 83rd Congress of Correction held in Toronto during the period October 11 to 16, 1953.....	2,000.00	2,000.00
	Department of Travel and Publicity		
	Special Coronation Advertising Accounts, incurred by the Public Information Division:		
July 8, 1953	Warrant.....	\$17,000.00	
July 30, 1953	".....	2,400.00	
		19,400.00	19,109.07
	Total Special Warrants	1,607,955.00	1,377,069.77

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Ontario

PROVINCIAL AUDITOR'S REPORT

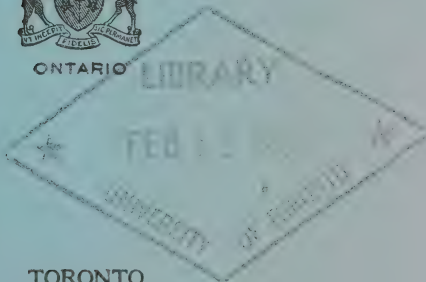
(1954-55)

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO



TORONTO

Printed and Published by Baptist Johnston
Printer to the Queen's Most Excellent Majesty
1956

PROVINCIAL AUDITOR'S REPORT

1954-55

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
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ONTARIO

TORONTO

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1956

TO THE HONOURABLE LOUIS ORVILLE BREITHAUPT, LL.D.,
Lieutenant-Governor of the Province of Ontario

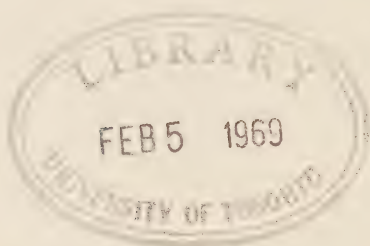
MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1955, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
November 24, 1955.



REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1955, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1954 - 1955

I have the honour to report to the Legislative Assembly on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1955, in accordance with the requirements of The Audit Act.

The Balance Sheet of the Province of Ontario as at March 31, 1955, the Statements of Revenue and Expenditure for the year ended on that date and other related statements, published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion, and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1955, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been used as in previous years, and the Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1955, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1954-55

The Honourable Leslie M. Frost, Q.C., LL.D., as Treasurer of Ontario, in his address to the Legislative Assembly of Ontario, on March 11, 1954, presented budget forecasts of ordinary revenue and expenditure and of capital receipts and payments for the fiscal year ended March 31, 1955, and in his budget address on March 10, 1955, presented interim statements of ordinary revenue and expenditure and of capital receipts and payments for the same fiscal year, consisting of ten months' actual results and two months' forecast.

The statements which follow compare the budget forecasts and actual operating results for the fiscal year ended March 31, 1955. Comparative summaries of the interim statements (ten months' actual and two months' forecast) and actual operating results are appended to this report together with certain other statements and charts presenting information on the financial operations of the Province as detailed on page 28 of this report.

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1954, TO MARCH 31, 1955**

	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture.....	\$ 980,000.00	\$ 1,068,211.14	\$ 88,211.14	\$
Attorney-General.....	3,435,000.00	4,335,143.30	900,143.30	
Education.....	1,093,000.00	1,468,065.12	375,065.12	
Health.....	3,926,000.00	4,070,107.65	144,107.65	
Highways:				
Main Office.....	250,000.00	851,577.62	601,577.62	
Gasoline Tax Branch....	84,500,000.00	92,728,131.32	8,228,131.32	
Motor Vehicles Branch...	24,000,000.00	28,712,333.62	4,712,333.62	
Total for Highways...	\$108,750,000.00	\$122,292,042.56	\$13,542,042.56	
Insurance.....	\$ 334,000.00	\$ 457,467.23	\$ 123,467.23	\$
Labour.....	524,000.00	553,568.95	29,568.95	
Lands and Forests.....	16,719,000.00	18,933,989.64	2,214,989.64	
Mines.....	4,241,000.00	5,661,737.09	1,420,737.09	
Municipal Affairs.....	449,000.00	509,304.07	60,304.07	
Prime Minister.....		33.00	33.00	
Provincial Secretary.....	1,126,000.00	1,461,939.58	335,939.58	
Public Welfare.....		3,719.85	3,719.85	
Public Works.....	79,000.00	119,071.94	40,071.94	
Reform Institutions.....	563,000.00	598,991.31	35,991.31	
Travel and Publicity.....	26,000.00	18,421.01		7,578.99
Treasury:				60.32
Main Office—Subsidy....	3,641,000.00	3,640,939.68		
Interest.....	71,000.00	71,136.28	136.28	
Miscellaneous		9,174.45	9,174.45	
Ontario Racing Commission	113,000.00	120,895.90	7,895.90	
Liquor Control Board—				
Profits.....	36,000,000.00	46,000,000.00	10,000,000.00	
Transfer Fees.....	700,000.00	768,205.29	68,205.29	
Public Utilities Tax.....	470,000.00	1,342,398.00	872,398.00	
Comptroller of Revenue Br.				
Tax Rental Agreement	140,800,000.00	142,746,809.44	1,946,809.44	
Succession Duty.....	16,500,000.00	25,818,531.09	9,318,531.09	
Hospitals Tax.....	6,000,000.00	6,299,830.37	299,830.37	
Race Tracks Tax.....	3,300,000.00	3,944,865.61	644,865.61	
Land Transfer Tax...	1,600,000.00	2,876,326.08	1,276,326.08	
Security Transfer Tax	1,200,000.00	2,248,229.73	1,048,229.73	
Logging Tax.....	500,000.00	538,947.95	38,947.95	
Law Stamps.....	900,000.00	1,072,243.95	172,243.95	
Miscellaneous.....		1,545.40	1,545.40	
Theatres Branch.....	262,000.00	341,391.51	79,391.51	
Total for Treasury....	\$212,057,000.00	\$237,841,470.73	\$25,784,531.05	\$ 60.32
Miscellaneous.....	\$ 100,000.00			\$100,000.00
	<u>\$354,402,000.00</u>	<u>\$399,393,284.17</u>	<u>\$45,098,923.48</u>	<u>\$107,639.32</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1954, TO MARCH 31, 1955**

	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture.....	\$ 9,245,000.00	\$ 9,014,937.05	\$	\$ 230,062.95
Attorney-General.....	11,644,000.00	12,351,716.77	707,716.77	
Education.....	79,563,000.00	91,475,889.49	11,912,889.49	
Health.....	48,297,000.00	57,197,170.88	8,900,170.88	
Highways:				
Maintenance and Admin- istration.....	59,347,000.00	59,252,344.54		94,655.46
Appropriation to Highway Reserve Account.....	23,000,000.00	38,500,000.00	15,500,000.00	
Insurance.....	190,000.00	228,718.57	38,718.57	
Labour.....	1,725,000.00	1,761,310.46	36,310.46	
Lands and Forests.....	12,760,000.00	12,716,508.33		43,491.67
Lieutenant-Governor.....	20,000.00	18,030.04		1,969.96
Mines.....	1,123,000.00	1,141,427.12	18,427.12	
Municipal Affairs.....	15,250,000.00	18,487,586.41	3,237,586.41	
Planning and Development..	1,776,000.00	1,730,682.38		45,317.62
Prime Minister.....	119,000.00	116,445.12		2,554.88
Provincial Auditor.....	285,000.00	279,390.82		5,609.18
Provincial Secretary.....	1,365,000.00	1,501,507.52	136,507.52	
Public Welfare.....	26,756,000.00	26,054,417.10		701,582.90
Public Works.....	5,497,000.00	7,375,962.20	1,878,962.20	
Reform Institutions.....	6,737,000.00	6,523,601.35		213,398.65
Travel and Publicity.....	895,000.00	876,856.93		18,143.07
Treasury.....	5,066,000.00	5,549,552.15	483,552.15	
Government Stationery Acct.		81,855.91	81,855.91	
Miscellaneous.....	100,000.00			100,000.00
	<u>\$310,760,000.00</u>	<u>\$352,235,911.14</u>	<u>\$42,932,697.48</u>	<u>\$1,456,786.34</u>
Public Debt:				
Interest, Exchange, etc...	25,567,000.00	25,477,727.19		89,272.81
Sinking Fund Instalments	17,536,000.00	21,536,000.00	4,000,000.00	
	<u>\$353,863,000.00</u>	<u>\$399,249,638.33</u>	<u>\$46,932,697.48</u>	<u>\$1,546,059.15</u>

**COMPARATIVE SUMMARY
BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1954, TO MARCH 31, 1955**

	BUDGET	ACTUAL	ACTUAL OVER BUDGET
Net Ordinary Revenue.....	\$354,402,000.00	\$399,393,284.17	\$ 44,991,284.17
Less: Net Ordinary Expenditure (before providing for Sinking Funds).....	336,327,000.00	377,713,638.33	41,386,638.33
Surplus (before providing for Sinking Funds)	\$ 18,075,000.00	\$ 21,679,645.84	\$ 3,604,645.84
Less: Provision for Sinking Funds.....	17,536,000.00	21,536,000.00	4,000,000.00
Surplus.....	<u>\$ 539,000.00</u>	<u>\$ 143,645.84</u>	<u>\$ 395,354.16</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1954, TO MARCH 31, 1955**

	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER BUDGET INCREASE	DECREASE
Health.....	\$	\$ 50,432.50	\$ 50,432.50	\$
Highways:				
Unsatisfied Judgment Fund..	2,000,000.00	1,972,921.13		27,078.87
Other.....	5,000.00	104,383.07	99,383.07	
Labour:				
Vacation-with-Pay Stamps..	10,500,000.00	9,917,391.31		582,608.69
Other.....		900.00	900.00	
Lands and Forests:				
Land Sales.....	325,000.00	212,985.32		112,014.68
Salvaged Fire-damaged Timber.....	480,000.00	178,810.09		301,189.91
Mines:				
Mining Land Sales.....	90,000.00	112,186.40	22,186.40	
Planning and Development:				
The Housing Development Act—				
Recovery of Advances, etc.	310,000.00	405,692.57	95,692.57	
Provincial Secretary:				
Public Service Superannua- tion Fund.....	7,400,000.00	8,099,649.86	699,649.86	
Public Service Retirement Fund.....	500,000.00	565,251.66	65,251.66	
Public Welfare.....		309.95	309.95	
Public Works.....		22,311.60	22,311.60	
Treasury:				
Appropriations from Ordinary Account:				
The Highway Reserve Acct.	23,000,000.00	38,500,000.00	15,500,000.00	
Sinking Fund Instalments..	17,536,000.00	21,536,000.00	4,000,000.00	
Loans and Advances—				
Sundry Loans and Advances	3,522,000.00	3,425,450.34		96,549.66
Accountable Funds.....	2,500,000.00			2,500,000.00
Special Funds.....	165,000.00	518,536.51	353,536.51	
Discount on Debentures....	699,000.00	698,242.42		757.58
Corporations Tax.....	1,500,000.00	267,568.01		1,232,431.99
Other.....		48,733.01	48,733.01	
	<u>\$70,532,000.00</u>	<u>\$86,637,755.75</u>	<u>\$20,958,387.13</u>	<u>\$4,852,631.38</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL PAYMENTS
FOR THE FISCAL YEAR APRIL 1, 1954, TO MARCH 31, 1955**

	BUDGET CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Agriculture:				
Assistance for Rural Hydro- Electric projects.....	\$ 7,500,000.00	\$ 7,296,732.00	\$	\$ 203,268.00
Other.....	250,000.00	83,250.00		166,750.00
Highways:				
Division Offices—				
Highway Construction.....	12,965,000.00	9,221,616.77		3,743,383.23
Highway Construction charged to Highway Reserve Account.	35,000,000.00	26,937,616.41		8,062,383.59
Municipal Roads Branch—				
Development and other Roads.	2,000,000.00	1,831,496.31		168,503.69
Municipal Subsidies.....	14,000,000.00	14,390,537.76	390,537.76	
Contingencies.....	35,000.00	3,721.18		31,278.82
Motor Vehicles Branch—				
Unsatisfied Judgment Fund...	1,600,000.00	1,808,314.43	208,314.43	
Operating Fund.....	200,000.00			200,000.00
Labour:				
Vacation-with-Pay Stamps....	10,500,000.00	10,746,631.66	246,631.66	
Lands and Forests.....	300,000.00	178,810.09		121,189.91
Mines:				
Mining Roads.....	1,000,000.00	599,887.18		400,112.82
Planning and Development:				
Housing Branch.....	10,000,000.00	1,588,864.80		8,411,135.20
Other.....		47,634.59	47,634.59	
Provincial Secretary:				
Public Service Superannuation Fund.....	2,500,000.00	2,392,444.42		107,555.58
Public Service Retirement Fund	200,000.00	302,011.03	102,011.03	
Public Welfare:				
Old Age Assistance Branch....		3,823.52	3,823.52	
Public Works:				
Purchases of property and con- struction of Buildings.....	27,525,000.00	19,276,199.96		8,248,800.04
Conservation Grants, etc.....	2,475,000.00	733,561.70		1,741,438.30
Treasury:				
Accountable Funds.....	2,500,000.00			2,500,000.00
Other.....	600,000.00	842,030.09	242,030.09	
Miscellaneous.....	150,000.00	63,022.52		86,977.48
	<u>\$131,300,000.00</u>	<u>\$98,348,206.42</u>	<u>\$1,240,983.08</u>	<u>\$34,192,776.66</u>

Estimated gross expenditure for the year as shown on page 5 of the 1955 estimates was \$509,826,000.00. This amount does not include supplementary estimates of \$32,068,000.00 and further supplementary estimates of \$7,250,000.00 voted by the Legislature at the first session in 1955. Taking the supplementary estimates into account the total estimates for the year amount to \$549,144,000.00. The actual gross expenditure was \$522,203,215.01, a net decrease of \$26,940,784.99. The following analysis summarizes the net decrease in gross actual over total estimated gross expenditure.

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1955**

CLASSIFICATION	TOTAL ESTIMATED	GROSS ACTUAL	GROSS ACTUAL UNDER ESTIMATED	GROSS ACTUAL OVER ESTIMATED
Ordinary:				
Voted—				
Main Estimate.....	\$291,089,100.00			
First Supplementary...	32,068,000.00			
Second Supplementary.	7,250,000.00			
	<u>\$330,407,100.00</u>	<u>\$329,240,518.16</u>	<u>\$ 1,166,581.84</u>	
Statutory.....	81,533,900.00	86,591,806.41		\$5,057,906.41
Special Warrants.....		2,483,664.67		2,483,664.67
	<u>\$411,941,000.00</u>	<u>\$418,315,989.24</u>	<u>\$ 1,166,581.84</u>	<u>\$7,541,571.08</u>
Capital:				
Voted—				
Main Estimate.....	\$ 79,803,000.00	\$ 62,671,578.00	\$17,131,422.00	
Statutory.....	57,400,000.00	41,168,013.18	16,231,986.82	
Special Warrants.....		47,634.59		\$ 47,634.59
	<u>\$137,203,000.00</u>	<u>\$103,887,225.77</u>	<u>\$33,363,408.82</u>	<u>\$ 47,634.59</u>
	<u>\$549,144,000.00</u>	<u>\$522,203,215.01</u>	<u>\$34,529,990.66</u>	<u>\$7,589,205.67</u>

**Summary of Net Decreases or Increases in Gross Actual as compared
with Total Estimated Gross Expenditure**

CLASSIFICATION	DECREASE	INCREASE
Voted.....	\$18,298,003.84	
Statutory.....	11,174,080.41	
Special Warrants.....		\$2,531,299.26
	<u>\$29,472,084.25</u>	<u>\$2,531,299.26</u>

The net decreases or increases in gross actual as compared with total estimated gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED

The Legislative Assembly authorized expenditure appropriations for the year under review in the amount of \$410,210,100.00, comprising \$330,407,100.00 ordinary account and \$79,803,000.00 capital account. Actual gross expenditure charged to appropriations amounted to \$391,912,096.16 comprised of \$329,240,518.16 ordinary account and \$62,671,578.00 capital account. Thus the actual gross expenditure charged to appropriations authorized was \$18,298,003.84 less than the total amount authorized. The principal under-expenditures in the amount relate to construction of King's Highways, \$3,743,383.23, construction

of new buildings \$8,248,800.04, conservation grants through Department of Public Works \$1,590,166.38 and accountable funds \$2,500,000.00. The under-expenditure in accountable funds results from the fact that expenditures of this nature are made for recoverable advances which when recovered prior to the year end are applied as a contra to the expenditures.

In all cases where the actual expenditure exceeded the original appropriation, the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$16,760,650.00, consisting of \$10,220,650.00 ordinary account and \$6,540,000.00 capital account with actual expenditures relative thereto amounting to \$8,201,694.05 of which \$7,564,524.63 applied to Ordinary, and \$637,169.42 to Capital. These expenditures form part of the total gross expenditure of \$391,912,096.16 referred to above and are not in addition thereto.

Full details of treasury board orders issued and the amounts expended under this authority will be found on pages 34-42 of this report.

STATUTORY

The Estimates presented for the year 1954-55 forecast \$138,933,900.00 gross expenditure under statutory authority. This amount was divided \$81,533,900.00 to ordinary expenditure and \$57,400,000.00 to capital purposes. Actual gross statutory expenditure amounted to \$127,759,819.59, consisting of \$86,591,806.41 ordinary expenditure and \$41,168,013.18 capital expenditure excluding loan maturities and sinking fund investments. The actual total gross statutory outlay fell short of the estimate by \$11,174,080.41. This is the result of actual gross ordinary statutory expenditure exceeding the estimate by \$5,057,906.41 and actual gross capital statutory payments being \$16,231,986.82 under the estimate. The excess of \$5,057,906.41 in gross ordinary statutory expenditure is accounted for by additional sinking fund instalments of \$4,000,000.00 and a net increase of \$1,057,906.41 in all other items of gross ordinary statutory expenditure.

The total gross outlay on capital statutory account fell short of the related estimates by \$16,231,986.82. This difference arises as follows:

PAYMENTS UNDER THE ESTIMATE:

Agriculture:	
Bonus for Rural Primary and Secondary Lines.....	\$ 203,268.00
Highways:	
Highway Reserve Account.....	8,062,383.59
Planning and Development:	
Housing Branch.....	8,411,135.20
Provincial Secretary:	
Public Service Superannuation Fund.....	107,555.58
	<u>\$16,784,342.37</u>

PAYMENTS OVER THE ESTIMATE:

Highways:	
Unsatisfied Judgment Fund.....	\$ 208,314.43
Provincial Secretary:	
Public Service Retirement Fund.....	102,011.03
Treasury:	
Registry Office Surplus Fees.....	106,537.97
Tile Drainage Debentures.....	129,800.00
Miscellaneous.....	5,692.12
	<u>\$ 552,355.55</u>
Difference.....	<u>\$16,231,986.82</u>

SPECIAL WARRANTS

During the year expenditure in the amount of \$2,531,299.26 was made through special warrants under authority of subsection 1, section 30, of The Financial Administration Act, 1954. The main items were as follows:

Health:	
Special Capital Grants re building of Hospitals.....	\$ 271,100.00
Public Works:	
Expenses arising out of Flood Damages suffered October 15th and 16th, 1954.....	1,778,718.03
Reform Institutions:	
Grants to Sundry Training Schools.....	358,000.00
	<u>\$2,407,818.03</u>

PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1955

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1955, showing the percentage of each item to the total, classified by major categories, is presented in the following statement.

NET ORDINARY REVENUE

		%
Tax Rental Agreement.....	\$142,746,809.44	35.74
Gasoline Tax.....	92,657,841.05	23.20
Liquor Profits, Fines, Transfer Fees, etc.....	46,768,205.29	11.71
Motor Vehicle Licences and Fees, etc.....	28,712,333.62	7.19
Succession Duty.....	25,818,531.09	6.46
Timber Dues, Bonus, etc.....	11,927,678.22	2.99
Hospitals Tax.....	6,299,830.37	1.58
Mines Profit Tax.....	4,509,127.87	1.13
Fish and Wildlife Licences, Royalties, etc.....	3,989,255.62	1.00
Race Track Betting Tax.....	3,944,865.61	.99
Government of Canada—Annual Subsidies.....	3,640,939.68	.91
Ontario Hospitals—Maintenance of Patients.....	3,254,586.65	.81
All other revenues.....	25,123,279.66	6.29
	<u>\$399,393,284.17</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE

		%
Highway Maintenance, Grants, etc.....	\$ 97,752,344.54	24.4
Education.....	91,475,889.49	22.9
Health Services.....	57,197,170.88	14.3
Public Debt:		
Interest, etc.....	\$25,477,727.19	
Sinking Fund Instalments.....	21,536,000.00	
	47,013,727.19	11.7
Public Welfare.....	26,054,417.10	6.5
Grants based on The Municipal Unconditional Grants Act, 1953...	15,234,894.98	3.8
Conservation of Forests, Fish and Wildlife.....	12,716,508.33	3.1
Law Enforcement.....	12,351,716.77	3.0
Agricultural Services, Grants, etc.....	9,014,937.05	2.2
Reform Institutions.....	6,523,601.35	1.6
All other expenditures.....	23,914,430.65	5.9
	<u>\$399,249,638.33</u>	<u>100.0</u>

GENERAL

The tax rental agreement with the Federal Government, gasoline taxes, motor vehicle licences and fees, liquor control revenues and succession duties provide the chief sources of ordinary revenue for the Province. Highway expenditures, including appropriations to the highway reserve account, education, health, welfare and public debt charges including provision for Sinking Fund are the principal items of ordinary expenditure. While other operations give rise to relatively lesser dollar amounts, the individual amounts are nevertheless significant in most cases and form an important part of the operations of the Province. I refer hereunder to some of the more important items of revenue and expenditure and other matters relating to the operations for the year ended March 31, 1955.

An agreement (authorized by the Legislature of Ontario) was signed on October 29, 1952, between the Government of Canada and the Government of Ontario under which the Province of Ontario suspends the levy of individual income tax, corporation income tax and special corporation taxes for a period of five years from January 1, 1952, during which period Canada pays Ontario compensatory sums of money as set out in the agreement. An amount of \$142,746,809.44 was received under the terms of this agreement during the year and the factors affecting the computation of this amount are set forth in Statement No. 30 on page 39 of the Public Accounts for 1954-55.

During the year gross capital expenditures on King's Highways, Development Roads and Municipal Roads Subsidies amounted to \$52,384,988.43. Of this amount \$25,447,372.02 was made through Department of Highways capital expenditure and \$26,937,616.41 was paid out of the Highway Reserve Account. The total of \$52,384,988.43 is a decrease of \$6,766,340.51 from 1954. In addition \$599,887.18 was spent on Mining Roads by the Department of Mines.

Capital payments were made to the Hydro-Electric Power Commission of Ontario in the amount of \$7,296,732.00 to assist in rural electrification projects. This is a decrease of \$2,115,019.00 from 1954.

Public Works and Buildings were added to during the year by the capital expenditure of \$19,276,199.96 and General Works and Improvements by the capital expenditure of \$781,196.29.

Sinking Fund instalments of \$21,536,000.00 were provided through Ordinary Account.

Contributions by the Province to the Teachers' Superannuation Fund and the Public Service Superannuation Fund amounted to \$1,738,887.97 and \$2,216,668.13, respectively, in accordance with the requirements of the respective enactments relative thereto.

A payment of \$1,000,000.00 was made by the Province to the Public Service Superannuation Fund as a special contribution of a portion of the amount by which the estimated liabilities exceed the assets of the Fund.

It will be noted that the statutory payment of \$1,738,887.97 made to the Teachers' Superannuation Fund is less than the payment of the previous year by \$2,234,440.25. This is due to a 1953 amendment to The Teachers' Superannuation Act which changed the date of reporting teachers' contributions from the first day of September in each year to a calendar year basis. In consequence of the above amendment, Boards and Commissions reported only four months' contributions for the period from September 1, 1953, to December 31, 1953 in the Fund's fiscal year ended October 31, 1954. This resulted in a corresponding reduction in the contribution required from the Province.

However it should be noted that the next billing by the Teacher's Superannuation Fund amounts to approximately \$4,960,000.00 and constitutes a full year's contributions giving effect to increased numbers of teachers and increased salaries with interest for 17 months at 4% as established by section 5 of The Teachers' Superannuation Amendment Act, 1953.

In addition, a payment of \$1,000,000.00 was made by the Province to the Teachers' Superannuation Fund as a special contribution of a portion of the amount by which the estimated liabilities exceed the assets of the Fund. Similar payments were made in 1952, 1953, and 1954. These special payments are a valuable addition to the assets of the Fund but no plan has been formulated by the Government to deal with the existing deficit in a systematic way. My report for 1951-52 contains comments on the Actuary's most recent report and also gives his recommendations for the minimum steps to be taken to place the Teachers' Superannuation Fund in order. The Fund is still in an unsatisfactory condition.

The actuarial survey of the Public Service Superannuation Fund has been completed and a report on the actuarial condition of the Fund as at March 31, 1952, was submitted to the Honourable L. M. Frost, Q.C., LL. D., on November 30, 1953, by Professor E. N. Sheppard of the University of Toronto. The Valuation Balance Sheet of the Fund shows a deficiency of \$46,220,000.00 as at March 31, 1952. The actuary states that this deficit is increasing by more than two million dollars each year. This means that the assets and receipts of the Fund are insufficient to provide for the contemplated superannuation benefits and the insufficiency is increasing each year.

It has now been demonstrated by actuarial valuations that the receipts of both the Teachers' Superannuation Fund and the Public Service Superannuation Fund composed of contributions from employees, together with contributions from the Government, Boards, Commissions and Municipalities and interest earned, are insufficient to meet the actuarial requirements of the Funds.

While this condition exists the deficits in the Funds will continue to increase. A study of the present basis of making contributions to the Fund should be undertaken without delay. This recommendation has been made in previous reports and no action has been taken. The present practice relieves the expenditure of the current fiscal year at the expense of the expenditures of future fiscal years.

As in previous reports, I strongly recommend that the Province adopt and put into effect the principle of providing in full for superannuation benefits in the year in which the qualifying service is rendered.

AUDIT OF REVENUE

During the year regular examinations have been made of the revenues of various Departments in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures considered necessary. The systems of internal control and accounting methods in operation were reviewed in the Departments visited. Comprehensive reports on the examinations were prepared and presented to the Ministers of the Departments concerned and to Officials of Boards and Commissions. The information obtained from these examinations enables me to come to the conclusion that a full accounting is being made of the revenues of the Province.

A continuous audit of the revenues of the Province is being maintained as in previous years.

The amounts of the various service and licence fees levied by the Province are still being studied, as reported by the Comptroller of Revenue, with a view to ensuring that present and proposed fees are adequate.

AUDIT OF EXPENDITURE

In accordance with the requirements of The Audit Act, a continuous audit of the expenditures of the Province has been maintained during the fiscal year ended March 31, 1955.

Most expenditure vouchers are checked in detail before payment but in a number of instances vouchers were admitted as satisfactory after audit tests had been performed under authority granted to the Auditor in section 11 of The Audit Act.

On January 25, 1955, I submitted my final report to the Select Committee of the Legislature appointed to enquire into matters concerning certain divisions of the Department of Highways. My report appears in the proceedings of the Committee of that date. The Select Committee has since completed its work and reported to the Legislature on February 17, 1955 (Sessional Paper 9).

In my opinion a study should be made of the legislative enactments which authorize payments to be made from the Consolidated Revenue Fund. Statutes which give such authority should be reduced to the minimum with the intention of ensuring to the Legislature the opportunity for annual review and approval of such governmental expenditures.

Instances arise where legislation is presented subsequent to the submission of the budget. In such cases it is impractical to revise the estimates, and authorization for payment is obtained from the Legislature by way of statutory authority included in the related Act. It is felt that such statutory authority should not extend beyond the date upon which supply is next voted.

The remarks in my last report concerning the economic growth of the Province, are still applicable. Savings achieved through increased efficiency and economy in the operations of the various Departments are still of the greatest importance. Good organization and modern work methods will be required to produce the desired results. Methods which appeared to be quite sufficient and satisfactory in previous years may become completely outdated and outmoded with the volume and pressure of business to-day.

Whenever, as required by legislative enactment or departmental regulation, tenders are called for by public advertisement, I am of the opinion that all tenders submitted should be opened in public at the time and place stated in the advertisement. An award should be made without undue delay by written notice to the eligible bidder whose tender will best serve the public interest, provided that all tenders may be rejected upon determination that such action is in the best interest of the Province.

There has been a very large increase in Government spending in the past decade. This increase has been necessary to keep pace with the demands made upon the Government arising from the economic growth of the Province. While this expansion has accentuated the pressure upon the purchasing facilities of the several departments of government, nevertheless, I feel that reasonably adequate purchasing procedures have been maintained. Without any thought in mind of advocating centralized purchasing I would, however, recommend that a study be made to ascertain the desirability of setting up a Supervisory Supply Office whose function would be to:

1. Assure professional competence in purchasing personnel.
2. Co-ordinate purchasing operations of individual departments.
3. Prescribe policies, rules and regulations and to develop standard simplified purchasing procedures.
4. Make inspections to determine compliance with laid down procedure and to judge the efficiency, effectiveness and economy of departmental conducted purchasing operations.
5. Act as a purchasing section for any department not large enough to warrant the establishment of its own purchasing branch.

BALANCE SHEET

The Balance Sheet does not include as an asset the value of Crown timber, mineral wealth and surface value of Crown lands, water power, fish, game and fur.

The Balance Sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

I report hereunder on certain of the Assets and Liabilities as shown on the Balance Sheet of the Province at March 31, 1955.

TEMPORARY INVESTMENTS—\$29,698,106.62

Government of Canada Treasury Bills.....	\$27,682,828.50
United Kingdom Treasury Bills.....	2,015,278.12
	<u>\$29,698,106.62</u>

These investments are made as a means of making the most profitable use of funds which are temporarily surplus to normal requirements and are made under authority of section 21 of The Financial Administration Act, 1954.

LOANS AND ADVANCES—\$375,737,465.48

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES—SECURED BY BONDS—\$248,500,000.00

This amount represents the balance of funds advanced to the Hydro-Electric Power Commission of Ontario in prior years in accordance with the terms of The Power Commission Act.

As security for the advances the Province of Ontario holds bonds of the Hydro-Electric Power Commission for an equivalent amount. A letter has been received direct from the Director of the Securities Branch of the Treasury Department stating that the related securities were held in safekeeping as at March 31, 1955.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES—UNSECURED—\$51,533,322.87

During the year ended March 31, 1955, the Commission repaid \$1,855,747.15 to the Province of Ontario on account of unsecured advances made under The Power Commission Act. The amount of \$1,855,747.15 received relates \$1,564,063.49 to the Southern Ontario System and \$291,683.66 to Northern Ontario Properties. The money originally advanced by the Province for the construction of fixed assets represented a portion of the proceeds of certain provincial debenture issues. As the debentures mature the Province is repaid the portion originally advanced.

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,934.92

This amount represents advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$8,984,447.75

The assets of Housing Corporation Limited have decreased during the year by \$1,464,766.56. This is due mainly to repayment of mortgage loans principal in the amount of \$1,484,288.46 and application of the related funds to the reduction of the outstanding bank loans of the Corporation. In the same period the Reserve for Mortgage Loans, principal and interest, was increased \$82,217.14 to \$824,418.69.

As at March 31, 1955, there were 10,056 loans in the course of repayment. This is a reduction of 1,088 loans from last year. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

The assets and liabilities of Housing Corporation Limited have been included with the other accounts on the Balance Sheet of the Province. The balance sheet of Housing Corporation Limited is also shown separately in the Public Accounts for 1954-55 on page 53.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT

LOAN CORPORATION—INVESTMENTS—\$6,392,124.81

Under The Junior Farmer Establishment Act, 1952, the Province guaranteed the indebtedness of The Ontario Junior Farmer Establishment Loan Corporation which is a corporation created by the Province for the purpose of making loans to assist young qualified farmers in the establishment, development and operation of their farms.

As of March 31, 1955, 1036 loans were in course of repayment. No confirmation of outstanding loans was obtained from the borrowers concerned.

The assets and liabilities of The Ontario Junior Farmer Establishment Loan Corporation have been included with the other accounts on the Balance Sheet of the Province. The Balance Sheet of The Ontario Junior Farmer Establishment Loan Corporation is also shown separately in the Public Accounts for 1954-55 on page 55.

THE ONTARIO MUNICIPAL IMPROVEMENT

CORPORATION—INVESTMENTS—\$16,810,408.16

Under The Ontario Municipal Improvement Corporation Act, the Province guaranteed the indebtedness of The Ontario Municipal Improvement Corporation, which is a corporation created by the Province for the purpose of purchasing from municipalities in Ontario the debentures issued by them for certain municipal works and undertakings. Debentures of Ontario municipalities having a par value of \$11,760,299.51 are held by the Corporation and have a book value of \$11,649,607.73, which with cash in bank of \$4,999,631.28 and accrued interest receivable of \$161,169.15 make up the Province's investment of \$16,810,408.16.

A schedule of debentures of Ontario municipalities held by the Corporation at March 31, 1955, is presented below:

NAME	PURPOSE	PAR VALUE
Improvement District of Atikokan.....	Water and Sewers.....	\$ 297,200.00
Township of Bertie.....	Water.....	117,000.00
Town of Bracebridge.....	Water.....	81,000.00
Village of Bronte.....	Water.....	198,000.00

Burlington-Nelson Inter-Urban Area.....	Water.....	278,000.00
Township of Chapleau.....	Sewers.....	275,000.00
Village of Cobden.....	Water and Sewers.....	70,900.00
Town of Cochrane.....	Sewers.....	97,000.00
Village of Crystal Beach.....	Water and Sewers.....	169,400.00
Village of Delhi.....	Water and Sewers.....	10,000.00
Town of Dryden.....	Water.....	49,000.00
Village of Elmvale.....	Water.....	3,400.00
Township of Etobicoke.....	Water and Sewers.....	1,214,000.00
Town of Fort Frances.....	Water and Sewers.....	27,400.00
Township of Grantham.....	Water.....	69,000.00
Town of Hawkesbury.....	Water and Sewers.....	599,800.00
Town of Hearst.....	Water and Sewers.....	47,000.00
Village of Long Branch.....	Sewers.....	97,000.00
Village of Madoc.....	Water and Sewers.....	15,000.00
Town of Matheson.....	Water.....	8,700.00
Town of Mattawa.....	Water.....	166,000.00
Village of Morrisburg.....	Sewers.....	6,300.00
Township of McKim.....	Water and Sewers.....	680,700.00
United Townships of Neelon and Garson...	Water.....	192,832.11
Town of New Liskeard.....	Water and Sewers.....	104,700.00
City of Niagara Falls.....	Water.....	510,000.00
Township of Niagara.....	Sewers.....	38,000.00
Township of Nipigon.....	Water.....	10,000.00
Township of North York.....	Water and Sewers.....	1,402,367.59
Town of Oakville.....	Water.....	418,700.00
Town of Parry Sound.....	Water and Sewers.....	13,100.00
Village of Port Credit.....	Water.....	241,000.00
Village of Port McNicoll.....	Water.....	14,900.00
Improvement District of Red Rock.....	Water and Sewers.....	38,200.00
Town of Riverside.....	Sewers.....	106,671.00
Town of Rockland.....	Water.....	34,000.00
Township of Sandwich East.....	Water and Sewers.....	191,700.00
Township of Sandwich West.....	Water.....	24,471.81
Township of Schreiber.....	Water.....	31,000.00
Town of Sioux Lookout.....	Water and Sewers.....	129,900.00
Village of South River.....	Water.....	102,000.00
Township of Stamford.....	Water.....	469,000.00
Town of Sturgeon Falls.....	Sewers.....	122,157.00
Village of St. Clair Beach.....	Water.....	8,200.00
City of Sudbury.....	Sewers.....	204,900.00
Township of Tarentorus.....	Water.....	70,500.00
Township of Tay.....	Water.....	84,100.00
Township of Teck.....	Water and Sewers.....	84,700.00
Town of Tecumseh.....	Sewers.....	16,600.00
Town of Timmins.....	Sewers.....	84,000.00
Township of Toronto.....	Water.....	725,000.00
Township of West Ferris.....	Water.....	52,500.00
Township of Westminster.....	Sewers.....	18,000.00
Township of Widdifield.....	Water.....	33,700.00
City of Windsor.....	Water and Sewers.....	1,600,000.00
Township of Whitney.....	Sewers.....	6,600.00
		<u>\$11,760,299.51</u>

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—

INVESTMENTS—\$2,705,366.62

Agricultural Development Board—Debentures.....	\$2,600,000.00
The Farm Loans Act—Farm Loans Associations.....	36,748.38
—Capital Stock in Associations.....	2,145.00
Municipal Debentures—Village of West Lorne.....	66,473.24
	<u>\$2,705,366.62</u>

During the year the principal sum of \$1,005,083.45 was received on account of the above investments.

Maturity dates of the Agricultural Development Board Debentures were originally related to the maturity dates of the loans issued. The maturity dates of many of these loans have been altered by re-amortization and re-issue to dates beyond the terms of the related debentures which were due to mature in 1955. It was therefore necessary to extend the time for repayment of the debentures to May 31, 1959, by Order-in-Council dated June 23, 1955.

THE HOUSING DEVELOPMENT ACT—ADVANCES—\$4,916,497.37

During the year capital advances of \$1,588,864.80 were made under authority of the above Act in connection with certain joint housing projects which are controlled by the Government of Canada and the Province of Ontario acting in partnership to provide needed housing accommodation in this Province.

In the same period \$405,692.57 has been received and applied as a reduction of the above advances pending any subsequent adjustments which may become necessary upon the completion of the various projects.

MUNICIPALITIES, ETC.—\$5,687,362.98

Co-operative Marketing Loans.....	\$1,079,043.00
Drainage Debentures.....	1,820,394.89
Sandwich, Windsor and Amherstburg Railway Company—Bonds.....	1,150,000.00
City of Windsor Municipal Debentures.....	1,628,367.67
Miscellaneous.....	9,557.42
	<u>\$5,687,362.98</u>

A net decrease of \$12,465.00 was made in Co-operative marketing loans during the year. This amount includes a transfer of \$5,000.00 from Other Loans and Advances for a loan now considered good. The Sandwich, Windsor and Amherstburg Railway met a maturity of \$50,000.00 during the year and the City of Windsor paid off \$156,982.98 of its debentures at the due dates throughout the year. Drainage debentures were increased by a net amount of \$181,298.58.

GOVERNMENT OF CANADA—

DEBT ACCOUNT—\$2,848,289.52

This amount is a capitalization of the interest charged to the Province by the Dominion Government prior to January 1, 1873, in connection with Ontario's apportionment of the excess of the debt of the old Province of Canada (Ontario and Quebec) which was made at Confederation. In 1884 under 47 Victoria, Cap. 4, this charge was discontinued. The amounts previously charged together with interest thereon, to July 1, 1884, were in effect capitalized and on this capitalized figure of \$2,848,289.52, the Government of Canada pays the Province interest at the rate of 5% per annum which amounts to \$142,414.48. Further details concerning this account are contained in my report for 1948-49.

COMMON SCHOOL FUND—\$1,422,725.76

This amount represents Ontario's present interest in a permanent fund of \$2,677,770.70 held in trust by the Government of Canada for the Provinces of Ontario and Quebec jointly. The total held by the Government of Canada has remained unchanged since March 31, 1942, and is derived from the sale of

Crown lands set aside for the benefit of common schools by statutes enacted before Confederation. The Government of Canada pays interest to the Provinces on the principal sum at the rate of 5% per annum, payable semi-annually, in proportion to their respective populations as determined by the most recent decennial census. The present basis for allocation is the census of 1951.

BUILDINGS, ROADS, ETC.—\$926,786,406.17

Roads and Highways.....	\$731,567,510.26	
Less—Capital Expenditure to October 31, 1925, written off.....	78,156,895.50	
		\$653,410,614.76
Public Buildings, Public Works, etc.....		269,569,306.30
Niagara Parks Commission.....		3,806,485.11
		<u>\$926,786,406.17</u>

Net capital expenditures amounting to \$52,880,492.54 were made during the year on roads and highways. Included is an amount of \$26,937,616.41 expended through Highway Reserve Account and \$599,887.18 spent on Mining Roads. The accumulated capital expenditures to date on Roads and Highways amount to \$731,567,510.26 stated at cost.

The highways built prior to 1925 have been either completely replaced or reconstructed to such an extent that it is now considered the cost of original construction should be written off. Accordingly the highway capital expenditure made prior to October 31, 1924, in the amount of \$72,034,557.86 has been written off and charged to Surplus, and in the current year a further amount of \$6,122,337.64 being highway capital expenditure for the fiscal year ended October 31, 1925, has been written off. These two amounts totalling \$78,156,895.50 when deducted from the total expenditure leave a net book value at March 31, 1955, of \$653,410,614.76.

Net increases during the year were made to Public Buildings, Public Works, etc., in the amount of \$27,439,362.13, of which \$7,296,732.00 relates to Rural Power Bonus. No depreciation has been accrued on these assets.

The Surplus account of the Niagara Parks Commission as at the close of its fiscal year, October 31, 1954, showed a balance of \$3,806,485.11, which is included in the accounts of the Province by authority of subsection 2, of section 14, of The Niagara Parks Act. This amount has been brought on the Balance Sheet through an adjustment to Surplus Account.

THE LIQUOR CONTROL BOARD OF ONTARIO—

INVESTMENT—\$17,418,468.78

This amount corresponds with the Appropriated Surplus of The Liquor Control Board of Ontario as per the Balance Sheet of the Board as at March 31, 1955. It represents the amount retained by the Liquor Control Board for financing Accounts Receivable, Inventories, Prepaid Charges and Fixed Assets (less reserves).

OTHER LOANS AND ADVANCES—\$787,682.13

Co-operative Marketing Loans.....	\$177,371.44
Guaranteed Debentures and Interest Coupons redeemed by Province.....	261,324.78
Home Bank (in Liquidation) Balance.....	213,000.00
Municipal Drainage Debentures.....	2,760.26
Promissory Notes Paid—Ottawa Separate Schools Commission.....	53,902.23
Settlers' Loans.....	76,651.83
Mothers' Allowances—Municipalities.....	1,530.00
Rural Power Districts—Domestic Loans.....	1,141.59
	<u>\$787,682.13</u>

This represents a segregation of Loans and Advances which are in arrears or in default.

During the year the total of co-operative marketing loans was reduced by \$5,000.00 for an account which was transferred to the section Municipalities, etc. as collectible.

Guaranteed debentures have been reduced by \$100.00 and outstanding settlers' loans by \$4,820.34.

These assets are carried at book value as the ultimate realization value cannot be determined at this date.

DISCOUNT ON DEBENTURES—\$5,737,279.38

Discounts and premiums on Provincial Debenture issues are amortized in each case over the term of the related issue. The unamortized balances comprising the above total are shown in detail in the Public Accounts of Ontario for 1954-55 on page 49.

ACCOUNTS RECEIVABLE—\$12,212,130.45

This is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for doubtful accounts and includes \$5,619,196.93 representing the unappropriated surplus of the Liquor Control Board of Ontario in the amount of \$5,417,171.22, together with amounts currently owing to the Province of Ontario in the amount of \$202,025.71 as shown by the Balance Sheet of the Board as at March 31, 1955.

The accounts receivable were submitted by Departmental Accountants. The reserves provided are considered adequate. This asset has been brought on the Balance Sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON BONDS SECURING ADVANCES TO

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—\$1,802,883.55

The above amount represents interest accrued but not yet due at March 31, 1955. This asset has been brought on the Balance Sheet through an adjustment to Surplus Account. The principal amount of the bonds held is \$248,500,000.00 and is described more fully in a previous section of this report.

INTEREST RECEIVABLE (DUE AND ACCRUED)—\$906,055.52

There is owing to the Provincial Treasurer of Ontario \$3,106,055.52 for interest due and accrued on the debentures of the Agricultural Development Board. A reserve of \$2,200,000.00 is provided against the \$3,106,055.52 since a deficit of \$1,301,848.57 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectible. At the present time this reserve is considered to be adequate. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS—\$6,024,367.21

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued as in previous years on a basis not exceeding cost. This account has been brought on the Balance Sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$834,101,500.00

Stocks and Debentures.....	\$963,419,500.00
Less—Sinking Funds.....	130,218,000.00
	<u>\$833,201,500.00</u>
Sandwich, Windsor and Amherstburg Railway Company Bonds, due July 1, 1961—principal assumed.....	900,000.00
	<u><u>\$834,101,500.00</u></u>

The details of Stocks and Debentures outstanding at March 31, 1955, are shown in the Public Accounts for 1954-55 on page 51.

The Sinking Funds amount to \$130,218,000.00 of which \$100,882,250.00 is invested in securities and \$29,335,750.00 is held as uninvested funds. The securities held are shown on page 50 of the Public Accounts for 1954-55 and consist of issues of the Province of Ontario, the Hydro-Electric Power Commission of Ontario, the Ontario Northland Transportation Commission and the Government of Canada. These bonds have been verified by actual count. The uninvested funds have been verified from the records of the Provincial Treasurer.

UNFUNDED DEBT—\$232,059,240.80

DEMAND DEPOSITS WITH THE PROVINCE OF

ONTARIO SAVINGS OFFICE—\$71,821,582.02

Current deposits of \$71,768,608.95 and unclaimed balances of \$52,973.07 comprise this amount and these accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to depositors is similar to the liability of a Chartered Bank in regard to savings deposits.

BANK OVERDRAFT—\$17,247,173.99

The overdraft of \$17,247,173.99 results from a balance sheet adjustment made to segregate the uninvested sinking funds of \$29,335,750.00 from the other Provincial monies on deposit as at March 31, 1955.

SPECIAL FUNDS—\$43,368,927.68

Details of the balances included in this total are shown on page 52 of the Public Accounts. The liability arises in the first instance through the receipt of funds which are subject to future disbursement by the Province.

During the year the Public Service Superannuation Fund deposit of Un-invested Funds increased by \$5,707,205.44 to a balance of \$34,162,401.02.

The uninvested funds of the Public Service Retirement Fund increased by \$263,240.63 to a balance of \$545,642.44 at March 31, 1955.

The funds held for redemption of vacation-with-pay stamps decreased by \$829,240.35 to a new balance of \$6,796,794.20 at March 31, 1955.

HOUSING CORPORATION LIMITED—\$8,160,019.06

The liabilities of Housing Corporation Limited consist mainly of a bank loan of \$8,150,000.00 secured by promissory notes guaranteed by the Province of Ontario.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT

LOAN CORPORATION—\$6,260,240.04

The liabilities of The Ontario Junior Farmer Establishment Loan Corporation consist mainly of a bank overdraft of \$147,027.84, and bank loans of \$6,100,000.00.

THE ONTARIO MUNICIPAL IMPROVEMENT

CORPORATION—\$16,422,829.24

The liabilities of The Ontario Municipal Improvement Corporation consist mainly of outstanding debentures of \$16,000,000.00 and accrued debenture interest \$341,866.44.

HIGHWAY RESERVE ACCOUNT—\$52,731,189.04

This account was created under authority of section 21 of The Highway Improvement Amendment Act, 1952. During the fiscal year ended March 31, 1955, an amount of \$38,500,000.00 was appropriated for the account by the Legislature through Highways ordinary expenditure. The receipts and payments in this account are summarized below.

Balance, March 31, 1954.....	\$41,168,805.45
Fiscal year ended March 31, 1955—	
Receipts.....	38,500,000.00
	<hr/>
	\$79,668,805.45
Payments.....	26,937,616.41
	<hr/>
Balance March 31, 1955.....	<u>\$52,731,189.04</u>

CORPORATIONS TAX RESERVE ACCOUNT—\$15,561,997.92

The Province of Ontario entered into a tax rental agreement with the Government of Canada by authority of The Corporations and Income Taxes Suspension Act, 1952 as mentioned earlier in this report. The balance of \$15,561,997.92 in this account represents amounts received prior to March 31, 1955, in respect of taxes on Corporations which accrued on or before December 31, 1951. As and when the tax rental agreement ceases to be in operation, the amounts set aside in this account will be taken into ordinary revenue.

MISCELLANEOUS—\$485,281.81

This amount is the unpaid balance of principal at March 31, 1955, of the mortgage which was assumed on February 1, 1955, in connection with the acquisition of a building at 125 Fleet Street East by the Department of Public Works. Under the conditions of the mortgage it will be possible to retire it in full in 1958.

ACCOUNTS PAYABLE—\$2,299,670.77

Of this total \$2,218,467.87 arises from timber deposits and other credit balances of the Department of Lands and Forests. The remaining \$81,202.90 represents the value of goods received and services rendered during the year which had not been paid for as of March 31, 1955 by other departments. This liability has been brought on the Balance Sheet through an adjustment to Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$10,444,037.57

Interest accrued, but not yet due, at March 31, 1955, on debentures, outstanding in the hands of the public, accounts for \$10,433,212.57. This liability has been brought on the Balance Sheet through an adjustment to Surplus Account.

RESERVES—\$4,625,818.84

There has been a net increase in this account of \$264,086.36. The main sources of this increase were \$52,341.77 added to the General Reserve of The Ontario Municipal Improvement Corporation, \$82,217.14 added to the Reserve for Mortgage Loans Principal and Interest of Housing Corporation Limited and \$85,480.16 added to the Reserve for Mortgage Loans Principal and Interest of The Ontario Junior Farmer Establishment Loan Corporation.

SURPLUS—\$297,851,592.59

Surplus account has been increased during the year by a net amount of \$45,395,040.05. The principal items credited to Surplus account during the year were Surplus on Ordinary Account, \$143,645.84, Sinking Fund Instalments amounting to \$21,536,000.00, expenditure charged to Highway Reserve account during the fiscal year, \$26,937,616.41, a sundry item of \$816.12 and a net amount of \$2,899,299.32 relating to year-end adjustments of accounts receivable and payable, stores and materials and accrued interest. Highway Capital Expenditures for the fiscal year ended October 31, 1955, in the amount of \$6,122,337.64 were written off and charged to Surplus.

Details of the changes in Surplus account for the year are shown in the Public Accounts for 1954-55 on page 8.

CONTINGENT LIABILITIES—\$943,074,901.65

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Municipalities, Commissions, Railways, Schools, Universities, etc., as shown in the Public Accounts for 1954-55 on pages 58-61 are in accordance with the authority granted in the governing statutes.

During the fiscal year contingent liabilities increased by \$158,123,852.74. The increase is due largely to an increase of \$157,995,000.00 in debenture issues of the Hydro-Electric Power Commission of Ontario, an increase of \$2,233,070.85 in the bank loan of the Ontario Food Terminal Board, a net increase of \$200,540.43 in bank loans to Co-operative Associations, a decrease of \$1,200,000.00 in obligations of the Ontario Northland Transportation Commission, a decrease in the bank loan to the Ontario Stock Yards Board of \$600,000.00 and a decrease in demand notes of the Niagara Parks Commission of \$400,000.00.

CHARTS AND STATEMENTS

Charts showing the trend in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ended March 31, 1955, are appended to this report on pages 29-30. The difference between Gross and Net Provincial Debt and Gross and Net Capital Debt is explained in my report for 1953-54 on page 30.

The following statements for the fiscal year April 1, 1954, to March 31, 1955, are appended on pages 31-33.

- Comparative Statement of Net Interim and Actual Ordinary Revenue.
- Comparative Statement of Net Interim and Actual Ordinary Expenditure.
- Comparative Summary of Net Interim and Actual Ordinary Revenue and Expenditure.
- Comparative Statement of Net Interim and Actual Capital Receipts.
- Comparative Statement of Net Interim and Actual Capital Payments.

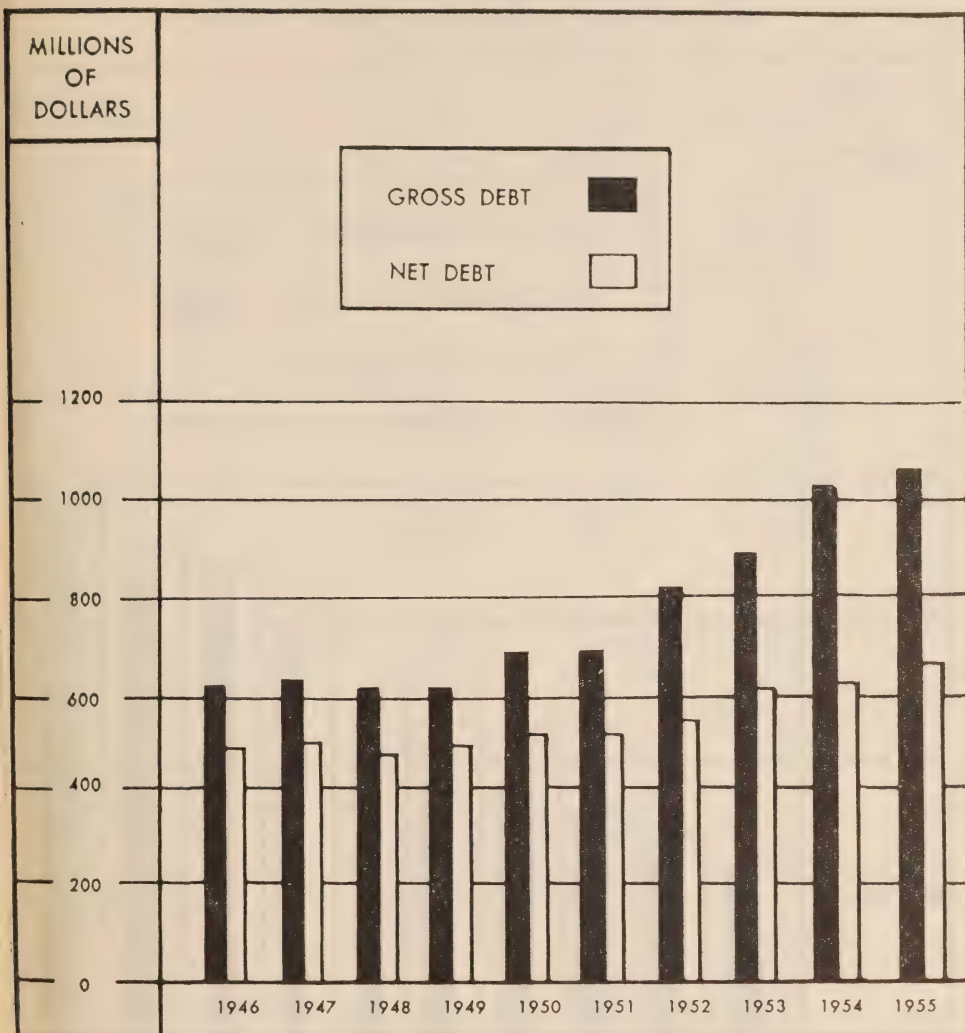
Statements showing details of the Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1955, and Special Warrants issued during the fiscal year ended March 31, 1955, are submitted in separate sections immediately following the statements referred to above.

I wish to express my appreciation to the officials and staff of the various Departments, Boards, and Commissions, for the co-operation extended to this office during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 24, 1955.

PROVINCE OF ONTARIO
GROSS AND NET DEBT*
FOR THE TEN YEARS ENDED MARCH 31, 1955



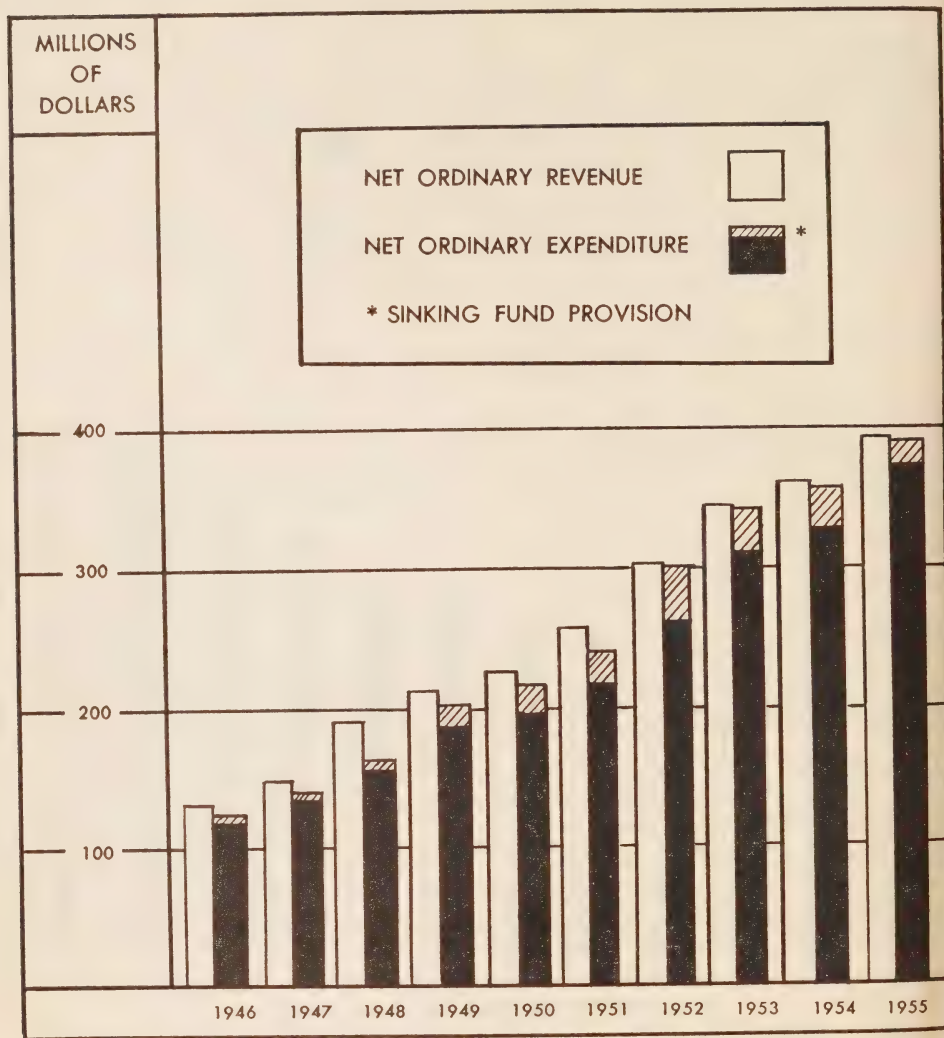
Gross and Net Debt per Public Accounts*

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1946	\$639,315,323.52	\$478,419,323.59
1947	645,221,457.67	493,087,004.24
1948	628,388,019.47	466,753,485.97
1949	628,662,860.20	483,675,155.06
1950	694,009,334.65	508,819,331.50
1951	697,963,421.22	521,550,164.38
1952	826,228,266.17	554,634,803.58
1953	884,231,206.19	604,832,094.07
1954	1,035,484,084.57	629,995,641.52
1955	1,066,160,740.80	660,725,168.70

*Gross and Net Provincial Debt, 1946-1952.
 Gross and Net Capital Debt 1953-1955.

PROVINCE OF ONTARIO

NET ORDINARY REVENUE AND EXPENDITURE FOR THE TEN YEARS ENDED MARCH 31, 1955



YEAR ENDED
MARCH 31

NET ORDINARY
REVENUE

NET ORDINARY
EXPENDITURE

*SINKING FUND
PROVISION

1946

\$128,368,864.36

\$126,802,964.37

\$ 5,352,000.00

1947

142,875,758.56

140,929,509.33

5,422,655.27

1948

191,698,952.37

166,070,199.53

5,481,000.00

1949

215,469,613.61

206,256,361.37

15,550,000.00

1950

228,550,022.27

219,893,373.67

20,622,000.00

1951

265,272,106.50

249,788,424.26

21,698,000.00

1952

302,320,998.85

301,259,559.94

34,276,000.00

1953

349,500,385.36

348,399,514.15

30,859,000.00

1954

372,973,315.71

372,040,301.99

29,945,000.00

1955

399,393,284.17

399,249,638.33

21,536,000.00

*Included in Net Ordinary Expenditure.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1954, TO MARCH 31, 1955**

	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 1,043,000.00	\$ 1,068,211.14	\$ 25,211.14	\$
Attorney-General.....	4,161,000.00	4,335,143.30	174,143.30	
Education.....	1,468,000.00	1,468,065.12	65.12	
Health.....	4,111,000.00	4,070,107.65		40,892.35
Highways:				
Main Office.....	825,000.00	851,577.62	26,577.62	
Gasoline Tax Branch.....	90,850,000.00	92,728,131.32	1,878,131.32	
Motor Vehicles Branch.....	25,800,000.00	28,712,333.62	2,912,333.62	
Total for Highways.....	<u>\$117,475,000.00</u>	<u>\$122,292,042.56</u>	<u>\$4,817,042.56</u>	
Insurance.....	\$ 420,000.00	\$ 457,467.23	\$ 37,467.23	\$
Labour.....	537,000.00	553,568.95	16,568.95	
Lands and Forests.....	18,540,000.00	18,933,989.64	393,989.64	
Mines.....	5,368,000.00	5,661,737.09	293,737.09	
Municipal Affairs.....	497,000.00	509,304.07	12,304.07	
Prime Minister.....		33.00	33.00	
Provincial Secretary.....	1,380,000.00	1,461,939.58	81,939.58	
Public Welfare.....	3,000.00	3,719.85	719.85	
Public Works.....	114,000.00	119,071.94	5,071.94	
Reform Institutions.....	586,000.00	598,991.31	12,991.31	
Travel and Publicity.....	24,000.00	18,421.01		5,578.99
Treasury:				
Main Office—				
Subsidy.....	3,641,000.00	3,640,939.68		60.32
Interest.....	71,000.00	71,136.28	136.28	
Miscellaneous.....	9,000.00	9,174.45	174.45	
Ontario Racing Commission	108,000.00	120,895.90	12,895.90	
Liquor Control Board—				
Profits.....	45,000,000.00	46,000,000.00	1,000,000.00	
Transfer Fees.....	730,000.00	768,205.29	38,205.29	
Public Utilities Tax.....	750,000.00	1,342,398.00	592,398.00	
Comptroller of Revenue—				
Tax Rental Agreement...	142,747,000.00	142,746,809.44		190.56
Succession Duty.....	23,000,000.00	25,818,531.09	2,818,531.09	
Race Tracks Tax.....	3,945,000.00	3,944,865.61		134.39
Security Transfer Tax...	1,925,000.00	2,248,229.73	323,229.73	
Hospitals Tax.....	6,400,000.00	6,299,830.37		100,169.63
Logging Tax.....	750,000.00	538,947.95		211,052.05
Land Transfer Tax.....	2,800,000.00	2,876,326.08	76,326.08	
Law Stamps.....	1,025,000.00	1,072,243.95	47,243.95	
Miscellaneous.....		1,545.40	1,545.40	
Theatres Branch.....	314,000.00	341,391.51	27,391.51	
Total for Treasury.....	<u>\$233,215,000.00</u>	<u>\$237,841,470.73</u>	<u>\$ 4,938,077.68</u>	<u>\$311,606.95</u>
	<u>\$388,942,000.00</u>	<u>\$399,393,284.17</u>	<u>\$10,809,362.46</u>	<u>\$358,078.29</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1954, TO MARCH 31, 1955**

	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 9,100,000.00	\$ 9,014,937.05	\$	\$ 85,062.95
Attorney-General.....	12,380,000.00	12,351,716.77		28,283.23
Education.....	88,279,000.00	91,475,889.49	3,196,889.49	
Health.....	57,676,000.00	57,197,170.88		478,829.12
Highways:				
Maintenance and Administration.....	58,108,000.00	59,252,344.54	1,144,344.54	
Appropriation to Highway Reserve Account.....	38,500,000.00	38,500,000.00		
Insurance.....	228,000.00	228,718.57	718.57	
Labour.....	1,801,000.00	1,761,310.46		39,689.54
Lands and Forests.....	12,760,000.00	12,716,508.33		43,491.67
Lieutenant-Governor.....	18,000.00	18,030.04	30.04	
Mines.....	1,176,000.00	1,141,427.12		34,572.88
Municipal Affairs.....	14,919,000.00	18,487,586.41	3,568,586.41	
Planning and Development.	1,683,000.00	1,730,682.38	47,682.38	
Prime Minister.....	116,000.00	116,445.12	445.12	
Provincial Auditor.....	284,000.00	279,390.82		4,609.18
Provincial Secretary.....	1,481,000.00	1,501,507.52	20,507.52	
Public Welfare.....	25,975,000.00	26,054,417.10	79,417.10	
Public Works.....	7,782,000.00	7,375,962.20		406,037.80
Reform Institutions.....	6,308,000.00	6,523,601.35	215,601.35	
Travel and Publicity.....	885,000.00	876,856.93		8,143.07
Treasury.....	5,502,000.00	5,549,552.15	47,552.15	
Government Stationery Account.....	35,000.00	81,855.91	46,855.91	
	<u>\$344,996,000.00</u>	<u>\$352,235,911.14</u>	<u>\$ 8,368,630.58</u>	<u>\$1,128,719.44</u>
Public Debt—				
Interest, Exchange, etc....	25,706,000.00	25,477,727.19		228,272.81
Sinking Fund Instalments.	17,536,000.00	21,536,000.00	4,000,000.00	
	<u>\$388,238,000.00</u>	<u>\$399,249,638.33</u>	<u>\$12,368,630.58</u>	<u>\$1,356,992.25</u>

*10 months' actual—2 months' forecast.

COMPARATIVE SUMMARY

**NET INTERIM* AND ACTUAL ORDINARY REVENUE AND ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1954, TO MARCH 31, 1955**

	INTERIM	ACTUAL	ACTUAL OVER INTERIM
Net Ordinary Revenue.....	\$388,942,000.00	\$399,393,284.17	\$10,451,284.17
Less: Net Ordinary Expenditure (before providing for Sinking Funds).....	370,702,000.00	377,713,638.33	7,011,638.33
Surplus (before providing for Sinking Funds).	\$ 18,240,000.00	\$ 21,679,645.84	\$ 3,439,645.84
Less: Provision for Sinking Funds.....	17,536,000.00	21,536,000.00	4,000,000.00
Surplus.....	<u>\$ 704,000.00</u>	<u>\$ 143,645.84</u>	<u>\$ 560,354.16</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL
RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1954, TO MARCH 31, 1955**

	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Health.....	\$ 50,000.00	\$ 50,432.50	\$ 432.50	\$
Highways.....	1,925,000.00	2,077,304.20	152,304.20	
Labour.....	10,200,000.00	9,918,291.31		281,708.69
Lands and Forests.....	365,000.00	391,795.41	26,795.41	
Mines.....	90,000.00	112,186.40	22,186.40	
Planning and Development.....	335,000.00	405,692.57	70,692.57	
Provincial Secretary.....	8,615,000.00	8,664,901.52	49,901.52	
Public Welfare.....		309.95	309.95	
Public Works.....	22,000.00	22,311.60	311.60	
Treasury.....	60,810,000.00	64,994,530.29	4,184,530.29	
	<u>\$82,412,000.00</u>	<u>\$86,637,755.75</u>	<u>\$4,507,464.44</u>	<u>\$281,708.69</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL
PAYMENTS FOR THE FISCAL YEAR APRIL 1, 1954, TO MARCH 31, 1955**

	NET INTERIM CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 8,450,000.00	\$ 7,379,982.00	\$	\$ 1,070,018.00
Highways.....	66,790,000.00	54,193,302.86		12,596,697.14
Labour.....	10,760,000.00	10,746,631.66		13,368.34
Lands and Forests.....	140,000.00	178,810.09	38,810.09	
Mines.....	565,000.00	599,887.18	34,887.18	
Planning and Development.....	1,803,000.00	1,636,499.39		166,500.61
Provincial Secretary.....	2,655,000.00	2,694,455.45	39,455.45	
Public Welfare.....		3,823.52	3,823.52	
Public Works.....	23,385,000.00	20,009,761.66		3,375,238.34
Treasury.....	899,000.00	842,030.09		56,969.91
Miscellaneous.....	100,000.00	63,022.52		36,977.48
	<u>\$115,547,000.00</u>	<u>\$98,348,206.42</u>	<u>\$116,976.24</u>	<u>\$17,315,769.82</u>

*10 months' actual—2 months' forecast.

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE
AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS,
DURING THE FISCAL YEAR ENDED MARCH 31, 1955

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	ORDINARY				
	Department of Agriculture				
	Main Office:				
	Workmen's Compensation Board—Awards and Costs—				
Mar. 10, 1955	Order.....	\$2,000.00			
Apr. 19, 1955	Order.....	200.00			
		2,200.00		2,185.15	
Mar. 10, 1955	Cost of Living Bonus.....	20,000.00		9,976.72	
Mar. 10, 1955	Unemployment Insurance Stamps.....	1,500.00		778.30	
	Agricultural and Horticultural Societies Branch:				
Mar. 10, 1955	Maintenance.....	700.00		587.67	
Jan. 6, 1955	Grants under The Community Centres Act.....	150,000.00		150,000.00	
	Agricultural Representative Branch:				
	County and District Offices:				
Apr. 19, 1955	Agricultural Representative Work, Services, Expenses and Equipment, etc.....	35,000.00		30,874.59	
	Dairy Branch:				
Apr. 19, 1955	Salaries.....	50.00		39.60	
	Field Crops:				
Mar. 10, 1955	Salaries.....	600.00		387.52	
Apr. 19, 1955	Administration of The Weed Control Act, The Seed Potatoes Act, Improvement Work, etc.....	1,500.00		1,370.28	
	Fruit Branch:				
Mar. 10, 1955	Fruit Work, including expenditure under The Plant Diseases Act.....	11,000.00		9,993.25	
	Statistics and Publications Branch:				
Mar. 10, 1955	Salaries.....	700.00		656.27	
	Horticultural Experiment Station, Vineland:				
Mar. 10, 1955	Salaries.....	1,000.00		721.38	
	Ontario Agricultural College, Guelph:				
	Expenses—				
Mar. 10, 1955	Order.....	\$7,000.00			
Mar. 10, 1955	Order.....	2,500.00			
		9,500.00		9,345.87	
	Macdonald Institute, Guelph:				
Mar. 10, 1955	Salaries.....	10,500.00		10,374.61	
	Ontario Veterinary College, Guelph:				
Jan. 6, 1955	Salaries.....	7,000.00		6,803.20	
Apr. 19, 1955	Travelling Expenses.....	1,100.00		973.60	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Agriculture—Continued		
Apr. 19, 1955	Ontario Veterinary College, Guelph—Continued		
	Apparatus, Telephone Service, Maintenance, etc., and Contingencies.....	25,300.00	25,270.31
Apr. 19, 1955	Research, Investigation and Extension Work, etc.	2,300.00	2,251.46
Apr. 19, 1955	Extension (Regional Office and Laboratories)....	7,200.00	7,196.44
Apr. 19, 1955	Kemptville Unit.....	600.00	507.80
Apr. 19, 1955	Ridgetown Unit.....	150.00	4.47
Apr. 19, 1955	Disease Prevention, Experimental Disease Station	200.00	143.08
	Western Ontario Agricultural School and Experimental Farm, Ridgetown:		
Mar. 10, 1955	Salaries.....	4,700.00	4,436.12
		292,800.00	274,877.69
	Department of Attorney-General		
	Main Office:		
Feb. 7, 1955	Commissions and Sundry Investigations.....	7,000.00	6,489.25
Mar. 10, 1955	Cost of Living Bonus.....	21,000.00	17,934.87
Feb. 7, 1955	Compassionate Allowances, etc.....	2,000.00	1,317.78
	Supreme Court of Ontario:		
Mar. 10, 1955	Judges' Staff: Salaries.....	800.00	575.61
	Master of Titles Office:		
Mar. 10, 1955	Salaries.....	4,000.00	1,971.45
	Criminal Justice Accounts:		
	Counties and Cities:		
Apr. 19, 1955	Administration of Justice.....	65,000.00	63,213.13
	Crime Detection Laboratory:		
Feb. 7, 1955	Salaries.....	3,500.00	2,999.87
	Maintenance:		
Feb. 7, 1955	Order.....\$4,000.00		
Apr. 19, 1955	Order.....4,000.00		
		8,000.00	7,477.09
	Accountant's Office—Supreme Court of Ontario:		
Apr. 19, 1955	Salaries.....	100.00	96.75
	Fire Marshal's Office:		
Mar. 10, 1955	Salaries.....	5,000.00	4,138.33
	Inspector of Legal Offices:		
	Toronto and York Crown Attorneys:		
Mar. 10, 1955	Salaries.....	2,000.00	1,824.54
	Sheriffs, Local Registrars, S.C.O. Surrogate Registrars, County and District Court Clerks:		
	Salaries:		
Mar. 10, 1955	Order.....\$30,000.00		
Apr. 19, 1955	Order.....1,000.00		
		31,000.00	30,865.97
	Law Enforcement Branch:		
Mar. 10, 1955	Salaries.....	211,000.00	193,339.09
Mar. 10, 1955	Travelling Expenses.....	115,000.00	101,340.25
Mar. 10, 1955	Maintenance.....	140,000.00	139,206.56
Feb. 7, 1955	Radio Communicating System.....	15,000.00	14,493.00
		630,400.00	587,283.54

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Education		
Apr. 19, 1955	Elementary Education Branch: Inspection of Elementary Schools: Travelling and Office Expenses.....	2,500.00	2,434.79
Apr. 19, 1955	Secondary Education Branch: Dominion-Provincial Agreements: Services, Expenses, etc.....	5,000.00	
Oct. 7, 1954	Departmental Examinations Branch: Departmental Examinations.....	22,000.00	21,881.24
Oct. 28, 1954	Legislative Grants, etc.: General Legislative Grants:		
Jan. 6, 1955	Order.....\$2,200,000.00 Order.....200,000.00	2,400,000.00	2,398,261.50
		2,429,500.00	2,422,577.53
	Department of Health		
Jan. 6, 1955	Main Office: Hospitalization for Indigent Immigrants.....	30,000.00	7,571.78
Mar. 10, 1955	Grants: County Councils Carrying on School Medical Inspections.....	4,600.00	4,572.53
Mar. 10, 1955	Alcoholism Research Foundation.....	20,300.00	20,300.00
Apr. 19, 1955	Cancer Control: Grant to Ontario Cancer Treatment and Re- search Foundation.....	56,000.00	48,582.31
Mar. 10, 1955	Maternal and Child Hygiene Branch: Cost of Examination for Expectant Mothers: Order.....\$55,000.00		
Apr. 19, 1955	Order.....50,000.00	105,000.00	104,996.00
Apr. 19, 1955	Nursing Branch: Travelling Expenses.....	500.00	487.90
Mar. 10, 1955	Costs and Expenses of Training Certified Nursing Assistants.....	33,000.00	31,801.67
Mar. 10, 1955	Epidemiological Branch: Maintenance.....	1,500.00	1,494.07
Apr. 19, 1955	Tuberculosis Prevention Branch: Grants: Sanatoria.....	250,000.00	249,005.51
Apr. 19, 1955	Maintenance of Patients (Ontario Residents in Sanatoria in Other Provinces).....	1,000.00	769.00
Apr. 19, 1955	Sanitary Engineering Branch: Maintenance.....	2,000.00	1,886.06
Apr. 19, 1955	Associated Laboratories: Grants to Hospital Laboratories providing Com- munity Diagnostic Public Health Services (in amounts as may be authorized by the Minister)	2,000.00	1,295.98

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Health—Continued		
	Mental Health Branch:		
	General Expenses:		
	Workmen's Compensation Board—Awards and Costs:		
Mar. 10, 1955	Order.....	\$10,000.00	
Apr. 19, 1955	Order.....	5,000.00	
		15,000.00	13,633.03
Apr. 19, 1955	Cost of Living Bonus.....	24,000.00	
Oct. 7, 1954	Unemployment Insurance Stamps.....	13,000.00	11,032.76
Mar. 10, 1955	Printing and Stationery.....	50,000.00	39,321.71
	Ontario Hospitals:		
Apr. 19, 1955	Maintenance.....	395,000.00	351,532.03
		1,002,900.00	888,282.34
	Department of Highways		
	Main Office:		
	Salaries:		
Mar. 10, 1955	Order.....	\$190,000.00	
Apr. 19, 1955	Order.....	25,000.00	
		215,000.00	192,986.85
Jan. 6, 1955	Travelling Expenses.....	85,000.00	77,356.12
	Maintenance:		
Jan. 6, 1955	Order.....	\$100,000.00	
Mar. 10, 1955	Order.....	50,000.00	
		150,000.00	149,936.80
	Contingencies:		
Aug. 5, 1954	Order.....	\$200,000.00	
Mar. 10, 1955	Order.....	50,000.00	
		250,000.00	226,836.40
Jan. 6, 1955	Roads Publicity.....	75,000.00	26,797.20
Mar. 10, 1955	Unemployment Insurance Stamps.....	15,000.00	9,841.13
	Municipal Roads Branch:		
Apr. 19, 1955	Municipal Subsidies (The Highway Improvement Act, Sections 18, 23, 27, 28, 28A, 33, 43, 46, 47, 49, 50 and 58).....	3,000,000.00	1,396,812.85
	Gasoline Tax Branch:		
Mar. 10, 1955	Salaries.....	5,000.00	2,517.67
	Motor Vehicles Branch:		
Mar. 10, 1955	Salaries.....	20,000.00	
Mar. 10, 1955	Travelling Expenses.....	7,500.00	2,446.65
Mar. 10, 1955	Highway Safety Publicity.....	10,000.00	9,058.74
Mar. 10, 1955	Registration of Plates and Supplies.....	75,000.00	19,151.46
Mar. 10, 1955	Fees, etc.....	30,000.00	19,003.88
		3,937,500.00	2,132,745.75
	Department of Insurance		
	Salaries:		
Oct. 7, 1954	Order.....	\$12,000.00	
Mar. 10, 1955	Order.....	2,500.00	
		14,500.00	13,248.90
Oct. 7, 1954	Travelling Expenses.....	14,000.00	10,226.46
	Maintenance:		
Mar. 10, 1955	Order.....	\$10,000.00	
Apr. 19, 1955	Order.....	6,000.00	
		16,000.00	15,123.96
Oct. 7, 1954	Cost of Living Bonus.....	600.00	119.25
		45,100.00	38,718.57

DATE OF ORDER		SERVICE	AUTHORIZED		EXPENDED	
			\$	c.	\$	c.
Department of Labour						
Main Office:						
Feb. 7, 1955		Salaries.....	10,000.00		8,628.08	
Feb. 7, 1955		Travelling Expenses.....	2,000.00			
General Stores, Purchase of Stationery, etc.:						
Oct. 7, 1954		Order.....		\$6,000.00		
Feb. 7, 1955		Order.....		3,000.00		
			9,000.00		5,779.50	
Conciliation Boards (Commissioners, etc.):						
Oct. 7, 1954		Order.....		\$40,000.00		
Jan. 6, 1955		Order.....		30,000.00		
			70,000.00		60,535.68	
Oct. 7, 1954		Advertising, Investigations, etc.....	8,000.00		5,494.12	
Industry and Labour Board:						
Feb. 7, 1955		Salaries.....	6,000.00		5,447.97	
Bank Commissions:						
Oct. 7, 1954		Charges for Sale and Cashing of Vacation-with-Pay Stamps.....	35,000.00		15,613.67	
Apprenticeship Branch:						
Feb. 7, 1955		Maintenance.....	3,000.00		2,884.23	
Boiler Inspection Branch:						
Feb. 7, 1955		Salaries.....	6,000.00		4,776.90	
Feb. 7, 1955		Travelling Expenses.....	3,000.00		1,888.80	
Feb. 7, 1955		Maintenance.....	2,000.00		215.97	
Board of Examiners of Operating Engineers:						
Feb. 7, 1955		Maintenance.....	2,000.00		1,711.10	
Composite Inspection Branch:						
Feb. 7, 1955		Salaries.....	10,000.00		7,508.16	
Feb. 7, 1955		Maintenance.....	4,000.00		3,988.93	
Labour Relations Board:						
Feb. 7, 1955		Salaries.....	4,000.00		3,407.85	
Mar. 10, 1955		Travelling Expenses.....	2,000.00		1,071.52	
Office of Athletics Commissioner:						
Jan. 6, 1955		Travelling Expenses.....	1,000.00		590.36	
Feb. 7, 1955		Maintenance.....	1,000.00		443.29	
Elevator Inspection Branch:						
Feb. 7, 1955		Salaries.....	2,000.00		829.15	
			180,000.00		130,815.28	
Department of Lands and Forests						
Main Office:						
Apr. 19, 1955		Workmen's Compensation Board—				
		Awards and Costs.....	10,000.00		3,277.51	
Apr. 19, 1955		Cost of Living Bonus.....	5,000.00		3,520.80	
Field Services:						
Apr. 19, 1955		Basic Organization—District Offices (including Provincial Parks, etc.).....	500,000.00		303,780.38	
Jan. 6, 1955		Bear Bounty.....	3,000.00		1,590.00	
			518,000.00		312,168.69	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Mines		
Aug. 5, 1954	Main Office: Fees and Expenses—Legal, Professional, Miscellaneous Services and Investigations	50,000.00	29,550.92
Jan. 6, 1955	Mining Lands Branch: Salaries, Equipment, Travelling and Other Expenses	61,000.00	60,811.69
		111,000.00	90,362.61
	Department of Planning and Development		
Feb. 7, 1955	Main Office: Salaries	2,100.00	1,704.50
Feb. 7, 1955	Travelling Expenses	800.00	105.01
Feb. 7, 1955	Maintenance: Order \$ 750.00		
Apr. 19, 1955	Order 17,100.00		
		17,850.00	17,790.34
Feb. 7, 1955	Postage—entire Department	500 00	498 01
Oct. 7, 1954	Community Planning Branch: Salaries	25,000.00	15,940.04
Feb. 7, 1955	Conservation Branch: Travelling Expenses	3,500.00	2,091.58
Jan. 6, 1955	Research Council of Ontario: Research Projects and Activities to include Industrial Technical Research Services	68,000.00	67,303.87
		117,750.00	105,433.35
	Office of Provincial Auditor		
Mar. 10, 1955	Salaries	5,000.00	2,686.56
	Department of Provincial Secretary		
Feb. 7, 1955	Main Office: Salaries	44,000.00	42,151.51
Feb. 7, 1955	Maintenance	16,500.00	16,496.24
Feb. 7, 1955	Cost of Living Bonus	2,500.00	2,202.41
Aug. 5, 1954	Workmen's Compensation Board—Awards and Costs: Civil Defence	500.00	325.35
Feb. 7, 1955	Office of the Speaker: Salaries	500.00	90.15
Feb. 7, 1955	Sessional Requirements: Clerks of Committees, Sergeant-at-Arms, Mes- sengers, Pages, Sessional Writers, etc.	3,000.00	474.83
Apr. 19, 1955	Stationery, including Printing Paper, etc.	20,000.00	19,983.99

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Provincial Secretary —Continued		
	Sessional Requirements—Continued		
Apr. 19, 1955	Maintenance.....	1,000.00	523.80
Apr. 19, 1955	Hansard.....	10,000.00	8,161.64
	Committee Fees, etc.		
Aug. 5, 1954	Order.....	\$50,000.00	
Oct. 28, 1954	Order.....	50,000.00	
		100,000.00	80,284.61
	Miscellaneous Requirements:		
Feb. 7, 1955	Government Hospitality Fund.....	4,000.00	2,697.77
	Civil Service Commission:		
Feb. 7, 1955	Salaries.....	1,500.00	680.50
	Public Service Superannuation Fund:		
Feb. 7, 1955	Administration Charges.....	4,000.00	2,266.90
		207,500.00	176,339.70
	Department of Public Welfare		
	Child Welfare Branch:		
Apr. 19, 1955	Subsidies for Protection Services.....	5,000.00	3,093.08
	Mothers' Allowances Branch:		
Mar. 10, 1955	Allowances.....	25,000.00	
	Homes for the Aged Branch:		
Mar. 10, 1955	Grants:		
	Charitable Institutions.....	4,000.00	3,659.41
	Disabled Persons' Allowances Branch:		
Feb. 7, 1955	Allowances in accordance with The Disabled Persons' Allowances Act.....	270,000.00	
		304,000.00	6,752.41
	Department of Public Works		
	Main Office:		
Apr. 19, 1955	Unforeseen and Unprovided.....	25,000.00	23,124.81
Apr. 19, 1955	Workmen's Compensation Board—Awards and Costs.....	6,000.00	5,765.31
Mar. 10, 1955	Unemployment Insurance Stamps.....	4,000.00	2,173.31
	Public Buildings—Maintenance and Repairs:		
	Legislative and Departmental Buildings:		
Mar. 10, 1955	Administrative Services:		
	Salaries.....	10,000.00	7,526.00
	Osgoode Hall:		
Mar. 10, 1955	Salaries.....	5,000.00	2,408.00
	Ontario Government Branch Office Buildings:		
Jan. 6, 1955	Maintenance.....	15,000.00	10,222.00
	General:		
	Rental and Caretaking of Leased Premises and Expenses in connection therewith:		
Jan. 6, 1955	Order.....	\$95,000.00	
Apr. 19, 1955	Order.....	6,000.00	
		101,000.00	99,586.00

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Works—Continued		
Jan. 6, 1955	Miscellaneous: Preparing and Installing Exhibits for Government Departments, etc.	2,500.00	1,723.83
		168,500.00	152,531.47
	Department of Reform Institutions		
Feb. 7, 1955	Main Office: Grants.	10,000.00	2,047.60
Apr. 19, 1955	Ontario Reformatories: Guelph: General Maintenance.	30,000.00	26,411.64
Feb. 7, 1955	Mimico: Industries.	15,000.00	14,932.55
Jan. 6, 1955	Mercer—Toronto: Industries: Order. \$50,000.00		
Mar. 10, 1955	Order. 25,000.00	75,000.00	71,608.98
Jan. 6, 1955	Industrial Farms: Burwash: Industries.	70,000.00	69,966.63
Mar. 10, 1955	Ontario Training School for Boys: Bowmanville: Salaries.	2,000.00	929.64
Feb. 7, 1955	Cobourg: Salaries.	12,000.00	9,895.10
		214,000.00	195,792.14
	Department of Travel and Publicity		
Mar. 10, 1955	Main Office: Travelling Expenses.	1,000.00	698.02
Mar. 10, 1955	Cost of Living Bonus.	200.00	134.86
Mar. 10, 1955	Development Branch: Salaries.	6,000.00	4,929.05
		7,200.00	5,761.93
	Treasury Department		
Mar. 10, 1955	Main Office: Travelling Expenses.	500.00	228.96
Apr. 19, 1955	Ontario Racing Commission: Salaries.	2,000.00	1,719.84
Apr. 6, 1955	Maintenance.	16,000.00	15,822.61
Mar. 10, 1955	Post Office: Postage and Maintenance: Order. \$20,000.00		
Mar. 19, 1955	Order. 10,000.00	30,000.00	22,822.00
Mar. 10, 1955	Theatres Branch: Travelling Expenses.	1,000.00	801.59
		49,500.00	41,395.00
	Total Ordinary Treasury Board Orders	10,220,650.00	7,564,524.63

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	CAPITAL		
	Department of Highways		
Aug. 5, 1954	Division Offices: Construction: King's Highways and Development Roads (The Highway Improvement Act, Sections 73, 78, 83 and 100)	4,000,000.00	.....
	Municipal Roads Branch: Municipal Subsidies (The Highway Improvement Act, Sections 18, 23, 27, 28, 28A, 33, 43, 46, 47, 49, 50 and 58):		
Jan. 6, 1955	Order.....\$ 190,000.00		
Apr. 19, 1955	Order.....1,500,000.00	1,690,000.00	390,537.76
		5,690,000.00	390,537.76
	Department of Labour		
Jan. 6, 1955	Industry and Labour Board: Payment of Claims re Vacation Pay Stamps.....	350,000.00	246,631.66
	Treasury Department		
Aug. 5, 1954	Accountable Funds for Departments.....	500,000.00	.....
	Total Capital Treasury Board Orders	6,540,000.00	637,169.42
	Total Treasury Board Orders	16,760,650.00	8,201,694.03

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR
ENDED MARCH 31, 1955

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Health		
June 24, 1954	Payment of Expenses necessary to carry out a Research Project to Establish the Practicability of Converting Sewage and Waste Materials into a Soil Supplement.....	30,000.00	29,817.93
Jan. 13, 1955	Grant to the Canadian Mental Health Association, Toronto, to assist with the Expenses of the Fifth International Congress on Mental Health held in Toronto, in August, 1954.....	5,000.00	5,000.00
Jan. 6, 1955	Special Grant to the Beaver Lodge Camp Inc., Midland, Ontario.....	3,000.00	3,000.00
Jan. 13, 1955	Special Grant to the Corporation of the City of Ottawa, to assist with Expenses of a Study of Services for Sick, Aging and Aged which is being conducted by the Corporation.....	1,500.00	1,500.00
Mar. 31, 1955	Special Grant to the Metropolitan General Hospital, Windsor, Ontario, to assist with the Expenses of the Nurses' Training Programme.....	12,300.00	12,300.00
Oct. 28, 1954	Special Capital Grant to the St. Catharines General Hospital, St. Catharines, Ontario, the name of this Hospital having been omitted from the regulation approved in April, 1954, which provided payments to Public Hospitals of a Special Grant based on \$300.00 per bed.....	82,500.00	82,500.00
Dec. 2, 1954	Special Capital Grant to the Lord Dufferin Hospital, Orangeville, Ontario.....	6,600.00	6,600.00
Mar. 31, 1955	Special Capital Grant to the Sudbury Memorial Hospital, Sudbury, Ontario.....	80,000.00	80,000.00
Mar. 31, 1955	Special Capital Grant to the Hotel Dieu Hospital, St. Catharines, Ontario.....	27,000.00	27,000.00
Mar. 31, 1955	Special Capital Grant to the Plummer Memorial Public Hospital, Sault Ste. Marie, Ontario.....	75,000.00	75,000.00
		322,900.00	322,717.93
	Department of Highways		
Oct. 21, 1954	Grant to the Canadian Good Roads Association....	1,500.00	1,500.00

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Mines		
Mar. 31, 1955	Providing equitable settlement of a claim against the Crown for Expenses incurred in the Staking and Recording of certain mining claims which were disallowed to Mr. George Keller of Toronto.	524.00	524.00
Oct. 21, 1954	Providing equitable settlement of a claim against the Crown for Expenses incurred in the Staking and Recording of certain Mining Claims which were disallowed to Messrs. R. C. Sackville and F. A. Lang of Ottawa.	310.00	310.00
		834.00	834.00
	Department of Planning and Development		
June 24, 1954	Participation in the Industrial Development of Eastern Ontario, to be carried out jointly by the Trade and Industry Branch of the Department of Planning and Development and the Eastern Ontario Development Association, in accordance with terms specified by the Honourable the Minister of Planning and Development.	10,000.00	10,000.00
	Office of Prime Minister		
Jan. 6, 1955	Payment of Accounts incurred in sending One Million cigarettes to Her Majesty's Forces in Korea and Europe for Christmas and One Million, Seven Hundred and Ninety Eight Thousand, Seven Hundred and Fifty, to the Permanent Forces stationed in Ontario.	12,000.00	11,894.71
	Department of Public Works		
	Payment of Expenses arising out of Flood Damages suffered October 15th and 16th, 1954:		
Nov. 4, 1954	Warrant. \$ 500,000.00		
Nov. 25, 1954	Warrant. 1,000,000.00		
Feb. 3, 1955	Warrant. 2,500,000.00		
		4,000,000.00	1,778,718.03
	Department of Reform Institutions		
Mar. 31, 1955	Payment of Grants to the undermentioned Organizations: St. John's Training School for Boys, 127 Victoria Park Avenue, Toronto, \$200,000.00; St. Mary's Training School for Girls, Downsview, Ontario, \$100,000.00; St. Joseph's Training School for Boys, Alfred, Ontario, \$40,000.00; Industrial Refuge, Minnow Lake, Ontario, \$18,000.00.	358,000.00	358,000.00
	Total Ordinary Special Warrants	4,705,234.00	2,483,664.67
	CAPITAL		
	Department of Planning and Development		
July 15, 1954	Surveying and Designing a Townsite in the Lake Manitouwadge Area.	50,000.00	47,634.59
	Total Capital Special Warrants	50,000.00	47,634.59
	Total Special Warrants	4,755,234.00	2,531,299.26

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PROVINCIAL
AUDITOR'S
REPORT

(1955-56)

(PROVINCE OF ONTARIO)

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO

TORONTO

Printed and Published by Baptist Johnston
Printer to the Queen's Most Excellent Majesty

1957

PROVINCIAL AUDITOR'S REPORT

1955-56

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
SESSIONAL PAPER No. 3, 1957



TORONTO

Printed and Published by Baptist Johnston
Printer to the Queen's Most Excellent Majesty
1957

TO THE HONOURABLE LOUIS ORVILLE BREITHAUP, LL.D.,
Lieutenant-Governor of the Province of Ontario

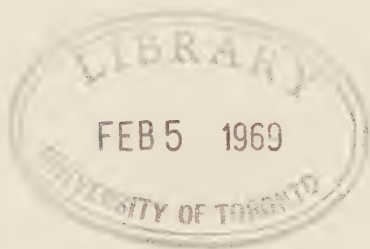
MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1956, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
Toronto, November 20, 1956.



REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1956, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1955 - 1956

I have the honour to report to the Legislative Assembly on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1956, in accordance with the requirements of The Audit Act.

The Balance Sheet of the Province of Ontario as at March 31, 1956, the Statements of Revenue and Expenditure for the year ended on that date, and other related statements, published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion, and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1956, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been used as in previous years, and the Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1956, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1955-56

The Honourable Leslie M. Frost, Q.C., LL.D., as Treasurer of Ontario in his address to the Legislative Assembly of Ontario, on March 10, 1955, presented budget forecasts of ordinary revenue and expenditure and of capital receipts and payments for the fiscal year ended March 31, 1956, and the Honourable Dana Porter, Q.C., LL.D., as Treasurer of Ontario in his budget address on March 1, 1956, presented interim statements of ordinary revenue and expenditure and of capital receipts and payments for the same fiscal year, consisting of ten months' actual results and two months' forecast.

The statements which follow compare the budget forecasts with the actual results for the fiscal year ended March 31, 1956. Comparative summaries of the interim statements (ten months' actual and two months' forecast) and the actual results are appended to this report together with certain other statements and charts presenting information on the financial operations of the Province as detailed on pages 24-25 of this report.

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1955, TO MARCH 31, 1956**

	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture.....	\$ 1,018,000	\$ 1,093,714	\$ 75,714	\$
Attorney-General.....	4,099,000	4,607,520	508,520	
Education.....	1,287,000	1,309,884	22,884	
Health.....	4,487,000	4,228,651		258,349
Highways:				
Main Office.....	300,000	420,169	120,169	
Motor Vehicles Branch.....	26,700,000	41,306,172	14,606,172	
Total for Highways.....	\$ 27,000,000	\$ 41,726,341	\$14,726,341	
Insurance.....	\$ 354,000	\$ 493,807	\$ 139,807	\$
Labour.....	579,000	604,786	25,786	
Lands and Forests.....	18,634,000	19,823,050	1,189,050	
Mines.....	5,305,000	8,121,778	2,816,778	
Municipal Affairs.....	462,000	273,868		188,132
Planning and Development.....		117,495	117,495	
Prime Minister.....		49	49	
Provincial Secretary.....	1,234,000	2,007,194	773,194	
Public Welfare.....		17,857	17,857	
Public Works.....	97,000	233,564	136,564	
Reform Institutions.....	601,000	603,387	2,387	
Travel and Publicity.....	26,000	25,081		919
Treasury:				
Main Office—Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....		8,318	8,318	
Ontario Racing Commission.....	104,000	81,951		22,049
Ontario Fuel Board.....		34,299	34,299	
Liquor Control Board—				
Profits.....	38,000,000	50,700,000	12,700,000	
Transfer Fees.....	700,000	625,662		74,338
Public Utilities Tax.....	470,000	1,574,188	1,104,188	
Comptroller of Revenue—				
Tax Rental Agreement.....	136,100,000	138,345,269	2,245,269	
Gasoline Tax.....	92,500,000	103,815,191	11,315,191	
Succession Duty.....	18,000,000	25,462,341	7,462,341	
Security Transfer Tax.....	1,500,000	4,011,327	2,511,327	
Race Tracks Tax.....	3,500,000	3,978,874	478,874	
Hospitals Tax.....	5,000,000	4,662,338		337,662
Logging Tax.....	600,000	837,309	237,309	
Land Transfer Tax.....	2,000,000	3,435,780	1,435,780	
Law Stamps.....	900,000	1,124,913	224,913	
Miscellaneous.....		3,910	3,910	
Theatres Branch.....	263,000	267,591	4,591	
Total for Treasury.....	\$303,349,000	\$342,681,337	\$39,766,446	\$ 434,101
	<u>\$368,532,000</u>	<u>\$427,969,363</u>	<u>\$60,318,872</u>	<u>\$ 881,500</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1955, TO MARCH 31, 1956**

	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture	\$ 9,710,000	\$ 10,344,635	\$ 634,635	\$
Attorney-General	13,064,000	15,366,994	2,302,994	
Education	91,868,000	100,141,333	8,273,333	
Health	52,016,000	59,369,132	7,353,132	
Highways:				
Maintenance and Administration	73,120,000	66,689,016		6,430,984
Appropriation to Highway Reserve Account		28,500,000	28,500,000	
Insurance	239,000	241,099	2,099	
Labour	1,861,000	1,871,982	10,982	
Lands and Forests	13,500,000	17,148,524	3,648,524	
Lieutenant-Governor	20,000	18,180		1,820
Mines	1,198,000	1,218,126	20,126	
Municipal Affairs	16,035,000	15,565,621		469,379
Planning and Development	2,213,000	2,111,260		101,740
Prime Minister	117,000	121,575	4,575	
Provincial Auditor	350,000	320,488		29,512
Provincial Secretary	1,598,000	1,995,132	397,132	
Public Welfare	27,766,000	27,000,319		765,681
Public Works	6,327,000	5,861,387		465,613
Reform Institutions	6,800,000	6,449,841		350,159
Travel and Publicity	915,000	893,142		21,858
Treasury	5,060,000	6,141,313	1,081,313	
Government Stationery Account...		1,884	1,884	
	<u>\$323,777,000</u>	<u>\$367,370,983</u>	<u>\$52,230,729</u>	<u>\$8,636,746</u>
Public Debt:				
Interest, Exchange, etc.	26,260,000	25,463,498		796,502
Sinking Fund Instalments	17,630,000	32,630,000	15,000,000	
	<u>\$367,667,000</u>	<u>\$425,464,481</u>	<u>\$67,230,729</u>	<u>\$9,433,248</u>

**COMPARATIVE SUMMARY
BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1955, TO MARCH 31, 1956**

	BUDGET	ACTUAL	ACTUAL OVER BUDGET
Net Ordinary Revenue	\$368,532,000	\$427,969,363	\$59,437,363
Less: Net Ordinary Expenditure (before providing for Sinking Funds)	350,037,000	392,834,481	42,797,481
Surplus (before providing for Sinking Funds) . . .	\$ 18,495,000	\$ 35,134,882	\$16,639,882
Less: Provision for Sinking Funds	17,630,000	32,630,000	15,000,000
Surplus	<u>\$ 865,000</u>	<u>\$ 2,504,882</u>	<u>\$ 1,639,882</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1955, TO MARCH 31, 1956**

	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER BUDGET	
			INCREASE	DECREASE
Highways:				
Unsatisfied Judgment Fund:				
Fees, etc.....	\$ 2,000,000	\$ 2,084,707	\$ 84,707	\$ 200,000
Operating fund—contra.....	200,000			
Sale of Property.....	5,000	1,054,947	1,049,947	
Other.....		28,934	28,934	
Labour:				
Vacation-with-Pay Stamps.....	10,800,000	9,494,937		1,305,063
Other.....		900	900	
Lands and Forests:				
Land Sales.....	325,000	295,057		29,943
Other.....	33,000	43,000	10,000	
Mines:				
Mining Land Sales.....	65,000	183,398	118,398	
Planning and Development:				
The Housing Development Act—				
Recovery of Advances, etc....	526,000	487,522		38,478
Community Planning.....	100,000	374,406	274,406	
Provincial Secretary:				
Public Service Superannuation Fund	7,208,000	8,842,543	1,634,543	
Public Service Retirement Fund....	505,000	649,704	144,704	
Public Welfare:				
Old Age Assistance Branch.....		3,824	3,824	
Public Works:				
Sale of Property.....		19,692	19,692	
Other.....		2,120	2,120	
Treasury:				
Appropriations from Ordinary				
Account:				
The Highway Reserve Account...		28,500,000	28,500,000	
Sinking Fund Instalments.....	17,630,000	32,630,000	15,000,000	
Loans and Advances—				
Sundry Loans and Advances.....	3,350,500	8,896,713	5,546,213	
Accountable Funds—contra.....	2,700,000			2,700,000
Special Funds.....	313,500	683,048	369,548	
Premium and Discount on Debentures	681,000	704,127	23,127	
Corporations Tax (arrears).....	500,000	1,587,847	1,087,847	
Other.....		4,621	4,621	
	<u>\$46,942,000</u>	<u>\$96,572,047</u>	<u>\$53,903,531</u>	<u>\$4,273,484</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL PAYMENTS
FOR THE FISCAL YEAR APRIL 1, 1955, TO MARCH 31, 1956**

	BUDGET CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture:				
Co-operative Marketing Loans.....	\$ 250,000	\$ 234,150	\$	\$ 15,850
Highways:				
District Offices—				
Highway Construction.....	37,000,000	22,935,712		14,064,288
Highway Construction charged to Highway Reserve Account.....	33,000,000	43,103,889	10,103,889	
Municipal Roads Branch—				
Development and other Roads....	6,000,000	4,153,007		1,846,993
Municipal Subsidies.....	25,000,000	20,177,289		4,822,711
Contingencies.....	35,000	9,611		25,389
Motor Vehicles Branch—				
Unsatisfied Judgment Fund:				
Judgments, etc.....	2,200,000	1,791,385		408,615
Operating fund—contra.....	200,000			200,000
Labour:				
Vacation-with-Pay Stamps.....	10,800,000	9,168,425		1,631,575
Lands and Forests:				
Logging Roads.....	500,000	95,297		404,703
Other.....	33,000	33,000		
Mines:				
Mining Roads.....	1,000,000	998,249		1,751
Municipal Affairs:				
Assistance for Rural Hydro-Electric projects.....	8,000,000	7,976,070		23,930
Revolving fund for The Ontario Tele- phone Development Corporation..	250,000	250,000		
Planning and Development:				
The Housing Development Act.....	6,507,000	773,837		5,733,163
Conservation.....	1,860,000	481,145		1,378,855
Community Planning.....	475,000	467,914		7,086
Provincial Secretary:				
Public Service Superannuation Fund..	2,500,000	2,791,168	291,168	
Public Service Retirement Fund.....	300,000	397,683	97,683	
Public Welfare:				
Old Age Assistance Branch.....		1,027	1,027	
Disabled Persons' Allowances Branch		40	40	
Public Works:				
Purchase of Property and Construc- tion of Buildings.....	36,000,000	24,504,990		11,495,010
Dams, Docks, and Drainage Works...	520,000	328,410		191,590
Other.....	255,000	71,110		183,890
Treasury:				
Accountable Funds—contra.....	2,700,000			2,700,000
Registry Office Surplus Fees.....	150,000	337,678	187,678	
Guaranteed Debentures S. W. & A. Rly.....	148,500	147,000		1,500
Tile Drainage Debentures.....	401,500	535,200	133,700	
Other.....	169,000	82,934		86,066
	<u>\$176,254,000</u>	<u>\$141,846,220</u>	<u>\$10,815,185</u>	<u>\$45,222,965</u>

Estimated gross expenditure for the year shown on page 5 of the 1956 Estimates was \$569,019,000. This amount does not include Supplementary Estimates of \$47,805,000 voted by the Legislature at the 1956 session. Taking the Supplementary Estimates into account, the total Estimates for the year amounted to \$616,824,000. The actual gross expenditure was \$592,262,344, a net decrease of \$24,561,656. The following analysis summarizes the net decrease in gross actual over total estimated gross expenditure.

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1956**

CLASSIFICATION	TOTAL ESTIMATED	GROSS ACTUAL	GROSS ACTUAL UNDER ESTIMATED	GROSS ACTUAL OVER ESTIMATED
Ordinary Voted—				
Main Estimate.....	\$298,778,000			
Supplementary.....	47,805,000			
	<u>\$346,583,000</u>	<u>\$339,346,114</u>	<u>\$ 7,236,886</u>	
Statutory.....	86,254,000	103,637,157		\$17,383,157
Special Warrants.....		99,195		99,195
	<u>\$432,837,000</u>	<u>\$443,082,466</u>	<u>\$ 7,236,886</u>	<u>\$17,482,352</u>
Capital: Voted—				
Main Estimate.....	\$130,611,000	\$ 91,243,034	\$39,367,966	
Statutory.....	53,376,000	57,936,844		\$ 4,560,844
	<u>\$183,987,000</u>	<u>\$149,179,878</u>	<u>\$39,367,966</u>	<u>\$ 4,560,844</u>
	<u>\$616,824,000</u>	<u>\$592,262,344</u>	<u>\$46,604,852</u>	<u>\$22,043,196</u>

**Summary of Net Decreases or Increases in Gross Actual as compared
with Total Estimated Gross Expenditure**

CLASSIFICATION	DECREASE	INCREASE
Voted.....	\$46,604,852	
Statutory.....		\$21,944,001
Special Warrants.....		99,195
	<u>\$46,604,852</u>	<u>\$22,043,196</u>

The net decreases or increases in gross actual as compared with total estimated gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED:

For the year under review, the Legislative Assembly authorized expenditure appropriations in the amount of \$477,194,000, comprising \$346,583,000 ordinary account and \$130,611,000 capital account. Actual gross expenditure charged to appropriations amounted to \$430,589,148, comprised of \$339,346,114 charged to ordinary account and \$91,243,034 to capital account. Thus the gross expenditure charged to appropriations authorized was \$46,604,852 less than the total amount authorized. The principal under-expenditures in this amount relate to maintenance and construction of highways \$24,247,609, municipal road

subsidies \$2,322,089, construction of public buildings \$11,495,010 and accountable funds of \$2,700,000. The under-expenditure in accountable funds results from the fact that expenditures of this nature are made for recoverable advances which when recovered prior to the year end are applied as a contra to the expenditures. There was an over-expenditure of \$3,289,604 in the disbursements made for extra fire fighting.

In all cases where the actual expenditure exceeded the original appropriation, the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$16,991,501, consisting of \$10,588,501 ordinary account and \$6,403,000 capital account with actual expenditures relative thereto amounting to \$9,174,494 of which \$9,171,543 applied to ordinary, and \$2,951 to capital. These expenditures form part of the total gross expenditure of \$430,589,148 referred to above and are not in addition thereto.

Full details of treasury board orders issued and the amounts expended under this authority will be found on pages 34-42 of this report.

STATUTORY

The Estimates presented for the year 1955-56 forecast \$139,630,000 gross expenditure under statutory authority. This amount was divided \$86,254,000 to ordinary expenditure and \$53,376,000 to capital expenditure. Actual gross statutory expenditure amounted to \$161,574,001 consisting of \$103,637,157 ordinary expenditure and \$57,936,844 capital expenditure, excluding loan maturities and sinking fund investments. The actual total gross statutory outlay exceeded the estimate by \$21,944,001. This is the result of actual gross ordinary statutory expenditure exceeding the estimate by \$17,383,157, and actual gross capital statutory payments being \$4,560,844 over the estimate. The excess of \$17,383,157 in gross ordinary statutory expenditure is accounted for by election expenses of \$2,157,027, additional sinking fund instalments of \$15,000,000, and a net increase of \$226,130 in all other items of gross ordinary statutory expenditure.

The total gross outlay on capital statutory account exceeded the related estimates by \$4,560,844. This difference arises mainly from an over-expenditure of \$10,103,889 in charges against the Highway Reserve Account and an under-expenditure of \$5,733,163 under The Housing Development Act.

SPECIAL WARRANTS

During the year expenditure in the amount of \$99,195 was made through special warrants under authority of subsection 1, section 30, of The Financial Administration Act, 1954.

Full details of the expenditures made under Special Warrants will be found on pages 43-44 of this report.

PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE FOR THE FISCAL YEAR ENDED MARCH 31, 1956

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1956, showing the percentage of each item to the total, classified by major categories, is presented on page 29 of this report.

GENERAL

The tax rental agreement with the Federal Government, gasoline taxes, motor vehicle licences and fees, liquor control revenues and succession duties provide the chief sources of ordinary revenue for the Province. Education and highway expenditures including appropriations to the Highway Reserve Account, health services, public debt charges including provision for Sinking Fund, and welfare costs are the principal items of ordinary expenditure. While other operations give rise to somewhat smaller amounts the individual totals are nevertheless significant in most cases and have an important place in the operations of the Province. I refer hereunder to some of the more important items of revenue and expenditure and other matters relating to the operations for the year ended March 31, 1956.

An agreement, authorized by the Legislature of Ontario, was signed on October 29, 1952, between the Government of Canada and the Government of Ontario under which the Province of Ontario suspends the levy of individual income tax, corporation income tax and special corporation taxes for a period of five years from January 1, 1952, during which period Canada pays Ontario compensatory sums as set out in the agreement. An amount of \$138,345,269 was received under the terms of this agreement during the year and the factors affecting the computation of this amount are set forth in Statement No. 31 on page 39 of the Public Accounts for 1955-56.

During the year, gross capital expenditures on King's Highways, Development Roads and Municipal Roads Subsidies amounted to \$90,379,508. This amount includes \$43,103,889 paid from the Highway Reserve Account. The total of \$90,379,508 is an increase of \$37,994,520 over 1955. In addition, \$998,249 was spent on mining roads by the Department of Mines and \$95,297 was spent on logging roads by the Department of Lands and Forests.

Capital payments were made to the Hydro-Electric Power Commission of Ontario in the amount of \$7,976,070 to assist in rural electrification projects. This is an increase of \$679,338 over payments made in 1954-55.

Public Works and Buildings were added to during the year by the capital expenditure of \$24,504,990 and General Works and Improvements by the capital expenditure of \$1,348,578.

Sinking Fund instalments of \$32,630,000 were provided through ordinary account.

Contributions by the Province to the Teachers' Superannuation Fund and the Public Service Superannuation Fund amounted to \$4,960,021 and \$2,497,894 respectively in accordance with the requirements of the respective enactments relative thereto. In addition, each Fund has received \$1,000,000 as a special contribution from the Province of a part of the amount by which the estimated actuarial liabilities exceed the assets of the respective Funds.

These special contributions, which have been made for several years, are a valuable addition to the two Funds but represent only a partial solution of the problem. A plan should be devised which will deal with the existing deficits in a systematic way with a view to restoring the Funds to a state of actuarial equilibrium. Reference has been made in previous reports to the actuarial reports on the Funds.

It has now been demonstrated by actuarial valuations that the receipts of both the Teachers' Superannuation Fund and the Public Service Superannuation Fund composed of contributions from employees, together with contributions from the Government, Boards, Commissions and Municipalities and interest earned are insufficient to meet the actuarial requirements of the Funds.

While this condition exists the deficits in the Funds will continue to increase. Once again I must point out that the present practice relieves the expenditure of the current fiscal year at the expense of the expenditures of future fiscal years.

As in previous reports, I strongly recommend that the Province adopt and put into effect the principle of providing in full for superannuation benefits in the year in which the qualifying service is rendered.

AUDIT OF REVENUE

Systematic examinations of the revenues of many Departments have been made during the year in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures considered necessary. The systems of internal control and accounting methods in operation were reviewed in all Departments visited. Comprehensive reports on the examinations were prepared and presented to the Ministers of the Departments concerned and to Officials of Boards and Commissions. The information obtained from these examinations enables me to form the opinion that a full accounting is being made of the revenues of the Province.

A continuous audit of the revenues of the Province is being maintained as in previous years.

The amounts of the various service and licence fees levied by the Province are subject to continuous review by the Comptroller of Revenue, with a view to maintaining their adequacy in relation to the rising costs of administration.

AUDIT OF EXPENDITURE

As required by The Audit Act, a continuous audit of the expenditures of the Province has been maintained during the fiscal year ended March 31, 1956.

The extent of the detailed audit of expenditure vouchers is influenced to some extent by the departmental systems of control and accounting. In many cases the examination of expenditure vouchers was carried out in detail. In certain instances, however, vouchers were accepted, after audit tests had been performed, under authority granted to the Auditor in section 11 of The Audit Act.

In the conduct of the financial business of each department it is customary for senior department officers to sign various accounting documents as evidence of official approval and as authority for processing. There may be occasions when such signing powers must be temporarily entrusted to other staff members to facilitate the business of the department. Great care must be taken at all times to observe the principles of internal check when such delegation of signing powers takes place. Persons authorizing expenditure requisitions should possess the necessary experience and judgment to decide whether such expenditures are proper and reasonable in every respect.

Progress has been made in reducing the number of legislative enactments which authorize payments to be made from the Consolidated Revenue Fund. Statutes which give such authority should be reduced to the minimum with the intention of securing to the Legislature the opportunity for annual review and approval of such governmental expenditures.

Careful consideration and extensive study should be given to the growing importance and increasing use of electronic data processing equipment in business. Improvement in data processing machines is being made very rapidly and there is little doubt that the years ahead will bring further great technological advances.

The objective of such a study of the electronic control of data processing should be to determine the most efficient manner in which these versatile electronic devices can be applied to the operations of the government in order that the records of the future may be kept in a better, more economical manner than in the past.

It is not possible to remain static without falling behind in relation to other organizations and governing bodies. A dynamic policy should be adopted in order to improve our relative position in productivity of effort and work of personnel in all activities of the several departments.

BALANCE SHEET

The balance sheet of the Province does not include as an asset the value of Crown timber, mineral wealth and surface value of Crown lands, water power, fish, game and fur.

The balance sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

A condensed balance sheet is submitted below and shows the assets and liabilities of the Province of Ontario as at March 31, 1956.

PROVINCE OF ONTARIO CONDENSED BALANCE SHEET AS AT MARCH 31, 1956

ASSETS

Loans and Advances.	\$ 367,102.97
Government of Canada:	
Debt account and Common School Fund.	4,271.01
Buildings, Roads, etc.	1,042,060.89
Liquor Control Board of Ontario—Investment.	16,836.79
Other Loans and Advances.	867.61
Discount on Debentures (Less amount amortized).	5,408.15
Accounts Receivable (Less Reserve).	13,540.00
Accrued Interest on bonds securing Advances.	1,795.00
Interest Receivable on Investments.	828.67
Equipment, Stores and Materials (less Reserve).	6,778.40
	\$1,459,489.62

LIABILITIES

Funded debt, less sinking funds—\$152,816,000.....	\$ 855,771,500
Unfunded Debt.....	216,637,619
Accounts Payable.....	2,124,040
Accrued Interest on Funded Debt.....	10,481,777
Reserves.....	4,832,104
	<hr/>
Surplus.....	\$1,089,847,040
	<hr/>
	369,642,640
	<hr/>
	\$1,459,489,680
	<hr/>
Contingent Liabilities:	
Bonds, etc., Guaranteed by the Province.....	\$1,001,724,107
	<hr/>

I report hereunder on certain of the Assets and Liabilities as shown on the balance sheet of the Province at March 31, 1956, as shown in the Public Accounts for 1955-56 on pages 6-7.

ASSETS

LOANS AND ADVANCES—\$367,102,973

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

ADVANCES—SECURED BY BONDS—\$243,000,000

This amount represents the balance of funds advanced to the Hydro-Electric Power Commission of Ontario in prior years in accordance with the terms of The Power Commission Act.

As security for the advances the Province of Ontario holds bonds of the Hydro-Electric Power Commission for an equivalent amount. A letter has been received direct from the director of the Securities Branch of the Treasury Department stating that the related securities were held in safekeeping as at March 31, 1956.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES—UNSECURED—\$49,633,419

During the year ended March 31, 1956, the Commission repaid \$1,899,904 to the Province of Ontario on account of unsecured advances made under The Power Commission Act. Of the above repayment, \$1,601,031 was for the account of the Southern Ontario System, and \$298,873 for Northern Ontario Properties. The money originally advanced by the Province for the construction of fixed assets represented a portion of the proceeds of certain Provincial debenture issues. As the debentures mature, the Province is repaid the portion originally advanced.

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,935

This amount relates to advances made to the Commission to provide funds or construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$7,577,815

The assets of Housing Corporation Limited have decreased by \$1,406,633 during the year. This is due mainly to repayment of mortgage loans principal in the amount of \$1,420,666 and application of the related funds to the reduction of the outstanding bank loans of the Corporation. In the same period the Reserve for Mortgage Loans principal and interest was increased \$94,041 to \$918,460.

As at March 31, 1956, there were 8,952 loans in the course of repayment. This is a reduction of 1,104 loans from last year. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

The assets and liabilities of Housing Corporation Limited have been included with the other accounts on the balance sheet of the Province. The balance sheet of Housing Corporation Limited is also shown separately in the Public Accounts for 1955-56 on page 53.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION—
INVESTMENTS—\$9,370,731

Under The Junior Farmer Establishment Act, 1952, the Province guaranteed the indebtedness of The Ontario Junior Farmer Establishment Loan Corporation which is a corporation created by the Province for the purpose of making loans to assist young qualified farmers in the establishment, development and operation of their farms.

As of March 31, 1956, 1,468 loans were in course of repayment. This is an increase of 432 loans over last year. No confirmation of outstanding loans was obtained from the borrowers concerned.

The assets and liabilities of The Ontario Junior Farmer Establishment Loan Corporation have been included with the other accounts on the balance sheet of the Province. The balance sheet of The Ontario Junior Farmer Establishment Loan Corporation is also shown separately in the Public Accounts for 1955-56 on page 55.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—
INVESTMENTS—\$14,277,807

Under The Ontario Municipal Improvement Corporation Act, the Province guaranteed the indebtedness of The Ontario Municipal Improvement Corporation, which is a Corporation created by the Province for the purpose of purchasing from Municipalities in Ontario the debentures issued by them for certain municipal works and undertakings. Debentures of Ontario municipalities having a par value of \$10,025,821 are held by the Corporation and have a book value of \$9,926,415, which with cash in bank of \$4,198,315 and accrued interest receivable of \$153,077 makes up the Province's investment of \$14,277,807.

The assets and liabilities of The Ontario Municipal Improvement Corporation have been included with the other accounts on the balance sheet of the Province. The balance sheet of The Ontario Municipal Improvement Corporation is also shown separately in the Public Accounts for 1955-56 on page 54.

A schedule of debentures of Ontario Municipalities held by the Corporation at March 31, 1956, is presented on page 30 of this report.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—

INVESTMENTS—\$1,800,380

Agricultural Development Board—Debentures.....	\$1,700,000
The Farm Loans Act—Farm Loans Associations.....	36,748
—Capital Stock in Associations.....	2,145
Municipal Debentures—Village of West Lorne.....	61,487
	<u>\$1,800,380</u>

During the year the principal sum of \$904,986 was received on account of the above investments.

THE HOUSING DEVELOPMENT ACT—ADVANCES—\$5,202,812

During the year capital advances of \$773,837 were made under authority of the above Act in connection with certain joint housing projects which are controlled by the Government of Canada and the Province of Ontario acting in partnership to provide needed housing accommodation in this Province.

In the same period \$487,522 has been received and applied as a reduction of the above advances pending any subsequent adjustments which may become necessary upon the completion of the various projects.

THE ONTARIO TELEPHONE DEVELOPMENT CORPORATION—

ADVANCES—\$250,000

These advances have been provided to enable the Corporation to acquire, construct, operate, maintain, and sell telephone systems in rural areas in order to improve local telephone service.

MUNICIPALITIES, ETC.—\$5,782,074

Co-operative Marketing Loans.....	\$1,127,514
Drainage Debentures.....	2,079,676
Sandwich, Windsor and Amherstburg Railway Company—Bonds.....	1,100,000
City of Windsor—Municipal Debentures.....	1,470,206
Miscellaneous.....	4,678
	<u>\$5,782,074</u>

A net increase of \$48,471 occurred in Co-operative Marketing Loans during the year. Loans in the amount of \$84,250, considered as doubtful of collection, were transferred to Other Loans and Advances. The Sandwich, Windsor and Amherstburg Railway met a maturity of \$50,000 during the year and the City of Windsor paid off \$158,162 of its debentures at the various due dates throughout the year. Drainage debentures were increased by a net amount of \$259,281.

GOVERNMENT OF CANADA—

Debt Account.....	\$2,848,290
Common School Fund.....	1,422,725
	<u>\$4,271,015</u>

Details of these two accounts have been given in previous reports. No changes have occurred during the year. In accordance with existing arrangements 5 per cent interest has been received during the year from the Government of Canada on the outstanding balances.

BUILDINGS, ROADS, ETC.—\$1,042,060,892

Roads and Highways.....	\$821,959,884	
Less—Capital Expenditure to October 31, 1926, written off.....	86,942,889	
		\$ 735,016,995
Public Buildings, Public Works, etc.....		302,452,909
Niagara Parks Commission.....		4,590,988
		<u>\$1,042,060,892</u>

Net capital expenditures amounting to \$90,392,374 were made during the year on roads and highways. Included is an amount of \$43,103,889 expended through Highway Reserve Account, \$998,249 spent on mining roads and \$95,297 spent on logging roads. The accumulated net capital expenditure to date on roads and highways amounts to \$821,959,884.

The highways built prior to 1926 have been either completely replaced or reconstructed to such an extent that it is now considered the cost of original construction should be written off. Accordingly the highway capital expenditure made prior to October 31, 1925, in the amount of \$78,156,896 has been written off in prior years and charged to Surplus, and in the current year a further amount of \$8,785,993, being highway capital expenditure for the fiscal year ended October 31, 1926, has been written off. These two amounts totalling \$86,942,889 when deducted from the total expenditure leave a net book value at March 31, 1956, of \$735,016,995.

Net increases during the year were made to Public Buildings, Public Works, etc., in the amount of \$32,883,603, of which \$7,976,070 relates to Rural Power Bonus. No depreciation has been accrued on these assets.

The Surplus account of the Niagara Parks Commission as at the close of its fiscal year, October 31, 1955, showed a balance of \$4,590,988, which is included in the accounts of the Province by authority of subsection 2, of section 14, of The Niagara Parks Act. This amount has been brought on the balance sheet through an adjustment to Surplus Account.

THE LIQUOR CONTROL BOARD OF ONTARIO—

INVESTMENT—\$16,836,794

This amount corresponds with the Appropriated Surplus of The Liquor Control Board as at March 31, 1956. It represents the amount retained by the Liquor Control Board for financing Accounts Receivable, Inventories, Prepaid Charges and Fixed Assets (less reserves).

OTHER LOANS AND ADVANCES—\$867,619

Co-operative Marketing Loans.....	\$ 261,622
Guaranteed Debentures and Interest Coupons, redeemed by Province.....	261,225
Home Bank (in Liquidation) Balance.....	213,000
Municipal Drainage Debentures.....	2,760
Promissory Notes Paid—Ottawa Separate Schools Commission.....	53,902
Settlers' Loans.....	72,438
Mothers' Allowances—Municipalities.....	1,530
Rural Power Districts—Domestic Loans.....	1,142
	<u>\$ 867,619</u>

This represents a segregation of Loans and Advances which are in arrears or in default.

During the year the total of co-operative marketing loans was increased by \$84,250.

Guaranteed debentures have been reduced by \$100 and outstanding settlers' loans by \$4,213.

These assets are carried at book value as the ultimate realization value cannot be determined at this date.

DISCOUNT ON DEBENTURES—\$5,408,152

Discounts and premiums on Provincial Debenture issues are amortized in each case over the term of the related issue. The unamortized balances comprising the above total are shown in detail in the Public Accounts of Ontario for 1955-56 on page 49.

ACCOUNTS RECEIVABLE—\$13,540,033

This is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for doubtful accounts and includes \$6,187,217 representing the unappropriated surplus of the Liquor Control Board of Ontario in the amount of \$6,005,510 together with amounts currently owing to the Province of Ontario in the amount of \$181,707 as shown by the balance sheet of the Board as at March 31, 1956.

The accounts receivable were submitted by Departmental Accountants. The reserves provided are considered adequate. This asset has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON BONDS SECURING ADVANCES TO HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—\$1,795,061

The above amount represents interest accrued but not yet due at March 31, 1956. This asset has been brought on the balance sheet through an adjustment to Surplus Account. The principal amount of the bonds held is \$243,000,000 and is described more fully in a previous section of this report.

INTEREST RECEIVABLE (DUE AND ACCRUED)—\$828,676

There is owing to the Treasurer of Ontario \$3,028,676 for interest due and accrued on the debentures of the Agricultural Development Board. A reserve of \$2,200,000 is provided against the \$3,028,676, since a deficit of \$1,220,333 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectible. The reserve is considered to be adequate at the present time. This account has been brought on the balance sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS—\$6,778,465

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued as in previous years on a basis not exceeding cost. This account has been brought on the balance sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$855,771,500

Stocks and Debentures.....	\$1,007,687,500
Less—Sinking Funds.....	152,816,000
	<hr/> \$ 854,871,500
Sandwich, Windsor and Amherstburg Railway Company Bonds, due July 1, 1961—principal assumed.....	900,000
	<hr/> \$ 855,771,500

The details of Stocks and Debentures outstanding at March 31, 1956, are shown in the Public Accounts for 1955-56 on page 51.

The Sinking Funds amount to \$152,816,000 of which \$42,035,750 is on deposit with the Treasurer of Ontario. The securities held are shown on page 50 of the Public Accounts for 1955-56 and consist of issues of the Province of Ontario, the Hydro-Electric Power Commission of Ontario, the Ontario Northland Transportation Commission and the Government of Canada. These bonds have been verified by actual count. The funds on deposit have been verified from the records of the Treasurer of Ontario.

UNFUNDED DEBT—\$216,637,619

DEMAND DEPOSITS WITH THE PROVINCE OF ONTARIO SAVINGS OFFICE—\$80,416,229

Current deposits of \$80,356,763 and unclaimed balances of \$59,466 comprise this amount. These accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to depositors is similar to the liability of a Chartered Bank in regard to savings deposits.

BANK OVERDRAFT—\$426,457

The overdraft of \$426,457 results from a balance sheet adjustment to segregate the sinking funds on deposit with the Treasurer of Ontario from the other Provincial monies on deposit as at March 31, 1956.

SPECIAL FUNDS—\$50,438,043

Details of the balances included in this total are shown on page 52 of the Public Accounts for 1955-56. The liability results from the receipt of funds which are subject to future disbursement by the Province.

During the year Public Service Superannuation Fund funds on deposit increased by \$6,051,375 to a balance of \$40,213,776 at March 31, 1956.

The funds of the Public Service Retirement Fund increased by \$252,022 to a balance of \$797,664 at March 31, 1956.

The funds held for the redemption of vacation-with-pay stamps increased by \$326,511 to a balance of \$7,123,305 at March 31, 1956.

HOUSING CORPORATION LIMITED—\$6,659,345

The liabilities of Housing Corporation consist mainly of a bank loan of \$6,650,000 secured by promissory notes guaranteed by the Province of Ontario. During the year this loan has been reduced by \$1,500,000.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT
LOAN CORPORATION—\$9,087,852.

The liabilities of The Ontario Junior Farmer Establishment Loan Corporation consist mainly of a bank overdraft of \$181,888, and bank loans of \$8,900,000.

THE ONTARIO MUNICIPAL IMPROVEMENT
CORPORATION—\$13,918,617

The liabilities of The Ontario Municipal Improvement Corporation consist mainly of outstanding debentures \$13,550,000 and accrued debenture interest \$291,332.

HIGHWAY RESERVE ACCOUNT—\$38,127,300

This account was created under authority of section 21 of The Highway Improvement Amendment Act, 1952. During the fiscal year ended March 31, 1956, an amount of \$28,500,000 was appropriated for the account by the Legislature through Highways ordinary expenditure. The receipts and payments in this account are summarized below:

Balance, March 31, 1955.....	\$52,731,189
Fiscal year ended March 31, 1956—	
Receipts:	
Voted from Ordinary Expenditure.....	28,500,000
	<u>\$81,231,189</u>
Payments:	
Statutory Capital Payments.....	43,103,889
Balance, March 31, 1956.....	<u><u>\$38,127,300</u></u>

CORPORATION TAX RESERVE ACCOUNT—\$17,149,845

The Province of Ontario entered into a tax rental agreement with the Government of Canada by authority of The Corporations and Income Taxes Suspension Act, 1952, as mentioned earlier in this report. The balance of \$17,149,845 in this account represents amounts received prior to March 31, 1956, in respect of taxes on Corporations which accrued on or before December 31, 1951. It is recommended that, if and when the tax rental agreement is terminated, this amount be transferred to Surplus.

MISCELLANEOUS—\$413,931

This amount is the unpaid balance of principal at March 31, 1956, of the mortgage which was assumed on February 1, 1955, in connection with the acquisition of a building at 125 Fleet Street East by the Department of Public Works. Under the conditions of the mortgage it will be possible to retire it in full in 1958.

ACCOUNTS PAYABLE—\$2,124,040

Of this total, \$2,066,055 arises from timber deposits and other credit balances of the Department of Lands and Forests. The remaining \$57,985 represents the value of goods received and services rendered during the year which had not been paid for as of March 31, 1956, by the departments. This liability has been brought on the balance sheet through an adjustment to Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$10,481,777

Interest accrued, but not yet due at March 31, 1956 on debentures outstanding in the hands of the public, accounts for \$10,470,952 of the above total. This liability has been brought on the balance sheet through an adjustment to Surplus Account.

RESERVES—\$4,832,104

There has been a net increase of \$206,285 in this account. The main items accounting for this were: an amount of \$94,041 added to the Reserve for Mortgage Loans Principal and Interest of Housing Corporation Limited, \$150,995 added to the Reserve for Mortgage Loans Principal and Interest of The Ontario Junior Farmer Establishment Loan Corporation and \$28,389 deducted from the General Reserve of The Ontario Municipal Improvement Corporation.

SURPLUS—\$369,642,640

Surplus account has been increased during the year by a net amount of \$71,791,047. The principal items credited to Surplus account during the year were Surplus on Ordinary Account \$2,504,882, Sinking Fund Instalments amounting to \$32,630,000, expenditure charged to Highway Reserve account during the fiscal year \$43,103,889, a sundry item of \$752 and a net amount of \$2,337,517 relating to year-end adjustments of accounts receivable and payable, stores and materials, and accrued interest. Highway capital expenditures for the fiscal year ended October 31, 1926, in the amount of \$8,785,993 were written off and charged to Surplus.

Details of the changes in Surplus account for the year are shown in the Public Accounts for 1955-56 on page 8.

CONTINGENT LIABILITIES—\$1,001,724,107

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Municipalities, Commissions, Railways, Schools, Universities, etc., as shown in the Public Accounts for 1955-56 on pages 58-61 are in accordance with the authority granted in the governing statutes.

During the fiscal year contingent liabilities increased by a net amount of \$58,649,205. This is due mainly to a net increase of \$59,590,000 in issues of the Hydro-Electric Power Commission of Ontario, an increase of \$1,356,122 in the bank loan to the Ontario Food Terminal Board, a decrease of \$1,208,000 in obligations of the Ontario Northland Transportation Commission, a decrease in demand notes of the Niagara Parks Commission of \$700,000 and a decrease of \$266,361 in obligations of Co-operative Associations. Out of \$1,001,724,107 contingent liabilities, \$970,804,000 arises from guarantees on the debt of the Hydro-Electric Power Commission of Ontario.

CHARTS AND STATEMENTS

Charts showing the trend in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ended March 31, 1956, are appended to this report on pages 26-27. The difference between Gross and Net Provincial Debt and Gross and Net Capital Debt is explained in my report for 1953-54 on page 30.

The following statements for the fiscal year April 1, 1955, to March 31, 1956, are appended on pages 28-33.

Source and Application of Funds.

Principal items of Net Ordinary Revenue and Expenditure.

Debentures of Ontario Municipalities held by The Ontario Municipal Improvement Corporation as at March 31, 1956.

Comparative Statement of Net Interim and Actual Ordinary Revenue.

Comparative Statement of Net Interim and Actual Ordinary Expenditure.

Comparative Summary of Net Interim and Actual Ordinary Revenue and Expenditure.

Comparative Statement of Net Interim and Actual Capital Receipts.

Comparative Statement of Net Interim and Actual Capital Payments.

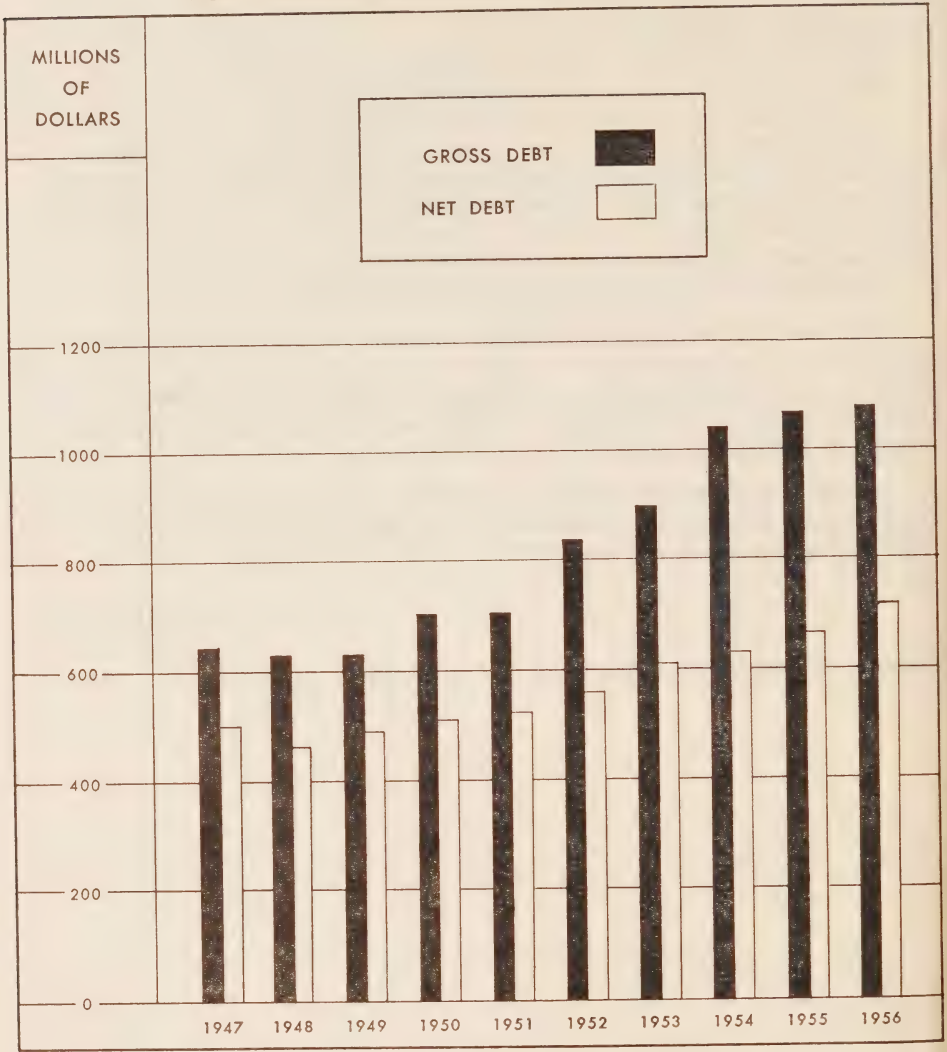
Statements showing details of the Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1956, and Special Warrants issued during the fiscal year ended March 31, 1956, are submitted in separate sections immediately following the statements referred to above.

I wish to express my appreciation to the officials and staff of the various Departments, Boards and Commissions, for the co-operation extended to this office during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 20, 1956.

PROVINCE OF ONTARIO
GROSS AND NET DEBT*
FOR THE TEN YEARS ENDED MARCH 31, 1956

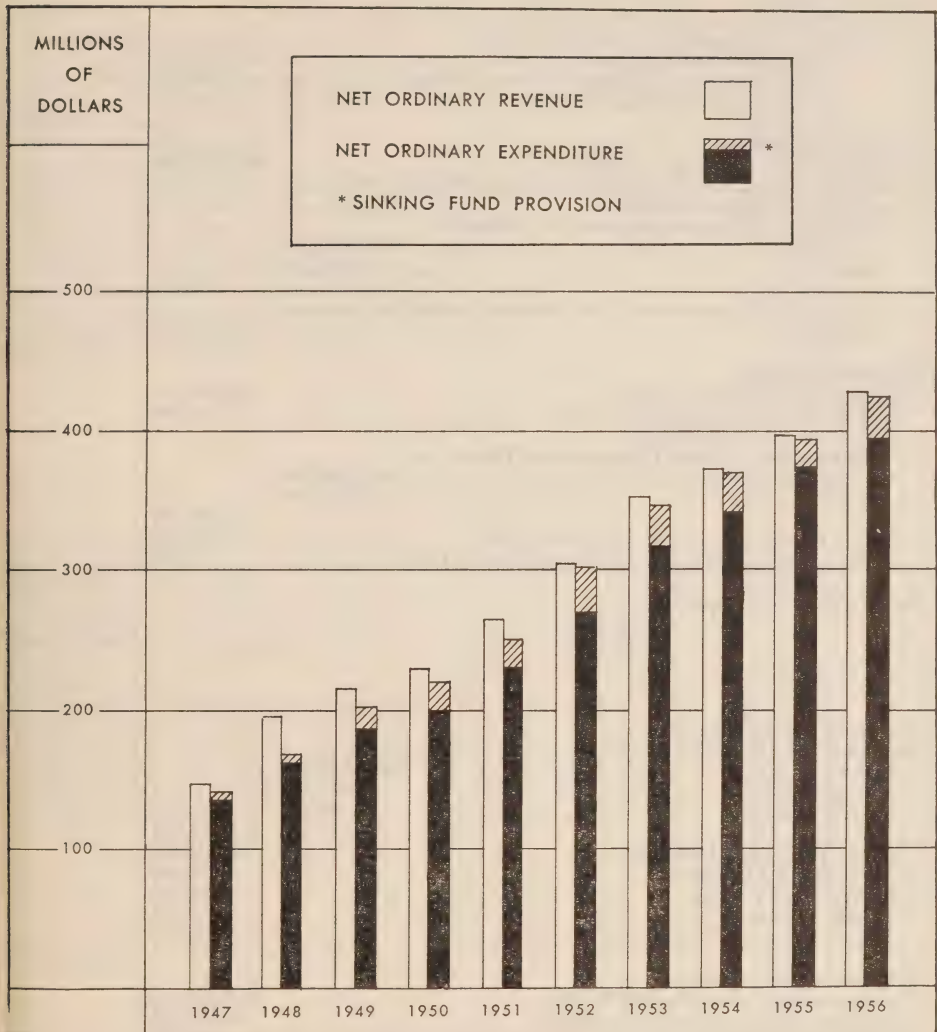


Gross and Net Debt per Public Accounts*

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1947	\$ 645,221,458	\$ 493,087,004
1948	628,388,019	466,753,486
1949	628,662,860	483,675,155
1950	694,009,335	508,819,332
1951	697,963,424	521,550,164
1952	826,228,266	554,634,804
1953	884,231,206	604,832,094
1954	1,035,484,085	629,995,642
1955	1,066,160,741	660,725,169
1956	1,072,409,119	705,306,145

*Gross and Net Provincial Debt, 1947-1952.
Gross and Net Capital Debt, 1953-1956.

PROVINCE OF ONTARIO
NET ORDINARY REVENUE AND EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1956



YEAR ENDED MARCH 31	NET ORDINARY REVENUE	NET ORDINARY EXPENDITURE	*SINKING FUND PROVISION
1947	\$ 142,875,759	\$ 140,929,509	\$ 5,422,655
1948	191,698,952	166,070,200	5,481,000
1949	215,469,614	206,256,361	15,550,000
1950	228,550,022	219,893,374	20,622,000
1951	265,272,107	249,788,424	21,698,000
1952	302,320,999	301,259,560	34,276,000
1953	349,500,385	348,399,514	30,859,000
1954	372,973,316	372,040,302	29,945,000
1955	399,393,284	399,249,638	21,536,000
1956	427,969,363	425,464,481	32,630,000

*Included in Net Ordinary Expenditure.

PROVINCE OF ONTARIO

STATEMENT SHOWING SOURCE AND APPLICATION OF FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 1956

SOURCE OF FUNDS—

Excess of Ordinary Revenue over Ordinary Expenditure.....		\$ 2,504,882
Add: Items not requiring an outlay of funds:		
Sinking Fund Instalments.....	\$32,630,000	
Appropriation to Highway Reserve Account.....	28,500,000	
Amortization of Bond Discount.....	704,127	
		61,834,127
Increase in Liabilities:		
Debentures Issued (Net of Discount).....	\$59,425,000	
Demand Deposits with Province of Ontario Savings Office (net).....	8,594,647	
Special Fund Deposits (net)—		
Public Service Superannuation and Retirement		
Funds.....	\$ 6,303,396	
Other.....	765,720	
		7,069,116
Collections of Corporations Tax Arrears credited to Reserve		
Account.....	1,587,847	
		76,676,610
Decrease in Assets:		
Temporary Investments (net).....	\$29,698,107	
Sinking Fund Investments Matured.....	5,771,000	
Loans and Advances Repaid—		
Hydro-Electric Power Commission of Ontario re		
Secured Advances.....	\$ 5,500,000	
Other.....	3,888,059	
		9,388,059
Sale of Capital Assets and Recoveries (net).....	1,953,234	
Sundry Assets of Province of Ontario Savings Office.....	2,255	
		46,812,655
Seed Grain Loans Repaid.....		753
		<u>\$187,829,027</u>

APPLICATION OF FUNDS—

Investment in Physical Assets:		
Highways.....	\$90,379,508	
Mining Roads.....	998,249	
Logging Roads.....	95,297	
		\$91,473,054
Public Works and Buildings.....		24,504,990
Rural Power Expansion.....		7,976,070
Conservation Projects.....		481,145
Mining Townsites.....		467,914
Storage Dams and Docks, etc.....		399,520
		\$125,302,693
Increase in Other Assets:		
Uninvested Funds of Sinking Funds.....	\$12,700,000	
Sinking Fund Investments Purchased.....	15,669,000	
Loans and Advances.....	1,794,254	
		30,163,254
Decrease in Liabilities:		
Debentures Retired—		
Through Sinking Funds.....	\$10,032,000	
From Secured Advances repaid by Hydro-Electric		
Power Commission of Ontario.....	5,500,000	
		\$15,532,000
Bank Overdraft.....		16,820,717
Bequests, Scholarships and Outstanding Cheques (net).....		10,363
		32,363,080
		<u>\$187,829,027</u>

PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE FOR THE FISCAL YEAR ENDED MARCH 31, 1956

NET ORDINARY REVENUE

		%
Tax Rental Agreement.....	\$138,345,269	32.33
Gasoline Tax.....	103,815,191	24.26
Liquor Profits, Fines, Transfer Fees, etc.....	51,325,662	11.99
Motor Vehicle Licences and Fees, etc.....	41,306,172	9.65
Succession Duty.....	25,462,341	5.95
Timber Dues, Bonus, etc.....	12,706,730	2.97
Mines Profit Tax.....	6,611,509	1.55
Hospitals Tax.....	4,662,338	1.09
Fish and Wildlife Licences, Royalties, etc.....	4,154,714	.97
Security Transfer Tax.....	4,011,328	.94
Race Track Betting Tax.....	3,978,874	.93
Government of Canada—Annual Subsidies.....	3,640,940	.85
Land Transfer Tax.....	3,435,780	.80
Ontario Hospitals—Maintenance of Patients.....	3,350,540	.78
All other revenues.....	21,161,975	4.94
	<u>\$427,969,363</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE

		%
Education.....	\$100,141,333	23.54
Highways, Maintenance, Grants, etc.....	95,189,016	22.37
Health Services.....	59,369,132	13.95
Public Debt—		
Interest, etc.....	\$25,463,498	
Sinking Fund Instalments.....	32,630,000	
	<u>58,093,498</u>	<u>13.66</u>
Public Welfare.....	27,000,319	6.35
Conservation of Forests, Fish and Wildlife.....	17,148,524	4.03
Law Enforcement.....	15,366,994	3.61
Grants based on The Municipal Unconditional Grants Act, 1953...	12,396,066	2.91
Agricultural Services, Grants, etc.....	10,344,635	2.43
Reform Institutions.....	6,449,841	1.52
All other expenditures.....	23,965,123	5.63
	<u>\$425,464,481</u>	<u>100.00</u>

**DEBENTURES OF ONTARIO MUNICIPALITIES HELD BY THE ONTARIO
MUNICIPAL IMPROVEMENT CORPORATION AS AT MARCH 31, 1956**

MUNICIPALITY	PURPOSE	PAR VALUE
Improvement District of Atikokan.....	Water and Sewers.....	\$ 278,900
Township of Bertie.....	Water.....	112,000
Township of Black River.....	Water.....	51,500
Town of Bracebridge.....	Water.....	77,000
Village of Bronte.....	Water.....	191,000
Burlington-Nelson Inter-Urban Area.....	Water.....	265,000
Township of Chappleau.....	Sewers.....	263,000
Village of Cobden.....	Water and Sewers.....	67,200
Town of Cochrane.....	Sewers.....	93,000
Village of Crystal Beach.....	Water and Sewers.....	158,700
Town of Dryden.....	Water.....	46,100
Village of Elmvale.....	Water.....	3,100
Township of Etobicoke.....	Water and Sewers.....	1,127,000
Town of Fort Frances.....	Water and Sewers.....	25,400
Township of Grantham.....	Water.....	59,000
Town of Hawkesbury.....	Water and Sewers.....	71,800
Town of Hearst.....	Water and Sewers.....	45,000
Village of Madoc.....	Water and Sewers.....	14,500
Town of Matheson.....	Water.....	7,000
Town of Mattawa.....	Water.....	158,700
Village of Morrisburg.....	Sewers.....	5,500
Township of McKim.....	Water and Sewers.....	601,600
United Township of Neelon and Garson.....	Water.....	171,300
Town of New Liskeard.....	Water and Sewers.....	11,900
Township of Niagara.....	Sewers.....	32,900
Township of Nipigon.....	Water.....	9,700
Township of North York.....	Water and Sewers.....	1,304,368
Town of Oakville.....	Water.....	399,300
Town of Parry Sound.....	Water and Sewers.....	11,500
Village of Port Credit.....	Water.....	231,000
Village of Port McNicoll.....	Water.....	14,300
Improvement District of Red Rock.....	Water and Sewers.....	34,500
Town of Riverside.....	Sewers.....	91,384
Town of Rockland.....	Water.....	32,900
Township of Sandwich East.....	Water and Sewers.....	188,300
Township of Sandwich West.....	Water.....	135,469
Township of Schreiber.....	Water.....	30,000
Town of Sioux Lookout.....	Water and Sewers.....	125,000
Village of South River.....	Water.....	97,000
Township of Stamford.....	Water.....	441,000
Town of Sturgeon Falls.....	Sewers.....	115,400
Village of St. Clair Beach.....	Water.....	9,800
City of Sudbury.....	Sewers.....	179,400
Township of Tarentorus.....	Water.....	67,000
Township of Tay.....	Water.....	80,100
Township of Teck.....	Water and Sewers.....	79,200
Town of Tecumseh.....	Sewers.....	14,500
Town of Timmins.....	Sewers.....	74,000
Township of Toronto.....	Water.....	698,000
Township of West Ferris.....	Water.....	50,000
Township of Westminster.....	Sewers.....	15,000
Township of Widdifield.....	Water.....	53,800
City of Windsor.....	Water and Sewers.....	1,500,000
Township of Whitney.....	Sewers.....	5,800

\$10,025,821

COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY REVENUE FOR THE FISCAL YEAR APRIL 1, 1955, TO MARCH 31, 1956

	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 1,080,000	\$ 1,093,714	\$ 13,714	\$
Attorney-General.....	4,289,000	4,607,520	318,520	
Education.....	1,318,000	1,309,884		8,116
Health.....	4,538,000	4,228,651		309,349
Highways:				
Main Office.....	400,000	420,169	20,169	
Motor Vehicles Branch.....	38,000,000	41,306,172	3,306,172	
Total for Highways.....	\$ 38,400,000	\$ 41,726,341	\$ 3,326,341	
Insurance.....	\$ 426,000	\$ 493,807	\$ 67,807	\$
Labour.....	563,000	604,786	41,786	
Lands and Forests.....	19,750,000	19,823,050	73,050	
Mines.....	7,707,000	8,121,778	414,778	
Municipal Affairs.....	264,000	273,868	9,868	
Planning and Development.....		117,495	117,495	
Prime Minister.....		49	49	
Provincial Secretary.....	2,000,000	2,007,194	7,194	
Public Welfare.....	2,000	17,857	15,857	
Public Works.....	105,000	233,564	128,564	
Reform Institutions.....	595,000	603,387	8,387	
Travel and Publicity.....	26,000	25,081		919
Treasury:				
Main Office—				
Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....	6,000	8,318	2,318	
Ontario Racing Commission.....	88,000	81,951		6,049
Ontario Fuel Board.....	36,000	34,299		1,701
Liquor Control Board—				
Profits.....	48,000,000	50,700,000	2,700,000	
Transfer Fees.....	650,000	625,662		24,338
Public Utilities Tax.....	1,000,000	1,574,188	574,188	
Comptroller of Revenue—				
Tax Rental Agreement.....	138,345,000	138,345,269	269	
Gasoline Tax.....	98,000,000	103,815,191	5,815,191	
Succession Duty.....	23,000,000	25,462,341	2,462,341	
Security Transfer Tax.....	3,600,000	4,011,327	411,327	
Race Tracks Tax.....	3,979,000	3,978,874		126
Hospitals Tax.....	4,600,000	4,662,338	62,338	
Logging Tax.....	600,000	837,309	237,309	
Land Transfer Tax.....	3,300,000	3,435,780	135,780	
Law Stamps.....	1,100,000	1,124,913	24,913	
Miscellaneous.....		3,910	3,910	
Theatres Branch.....	263,000	267,591	4,591	
Total for Treasury.....	\$330,279,000	\$342,681,337	\$12,434,611	\$ 32,274
	<u>\$411,342,000</u>	<u>\$427,969,363</u>	<u>\$16,978,021</u>	<u>\$ 350,658</u>

*10 months' actual—2 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1955, TO MARCH 31, 1956**

	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 10,410,000	\$ 10,344,635	\$	\$ 65,365
Attorney-General.....	15,403,000	15,366,994		36,006
Education.....	100,274,000	100,141,333		132,667
Health.....	59,808,000	59,369,132		438,868
Highways:				
Maintenance and Administration..	63,612,000	66,689,016	3,077,016	
Appropriation to Highway Reserve Account.....	28,500,000	28,500,000		
Insurance.....	249,000	241,099		7,901
Labour.....	1,941,000	1,871,982		69,018
Lands and Forests.....	17,160,000	17,148,524		11,476
Lieutenant-Governor.....	19,000	18,180		820
Mines.....	1,239,000	1,218,126		20,874
Municipal Affairs.....	15,592,000	15,565,621		26,379
Planning and Development.....	2,296,000	2,111,260		184,740
Prime Minister.....	123,000	121,575		1,425
Provincial Auditor.....	332,000	320,488		11,512
Provincial Secretary.....	1,880,000	1,995,132	115,132	
Public Welfare.....	28,422,000	27,000,319		1,421,681
Public Works.....	6,320,000	5,861,387		458,613
Reform Institutions.....	6,741,000	6,449,841		291,159
Travel and Publicity.....	902,000	893,142		8,858
Treasury.....	6,174,000	6,141,313		32,687
Government Stationery Account....	35,000	1,884		33,116
	<u>\$367,432,000</u>	<u>\$367,370,983</u>	<u>\$ 3,192,148</u>	<u>\$3,253,165</u>
Public Debt—				
Interest, Exchange, etc.....	25,531,000	25,463,498		67,502
Sinking Fund Instalments.....	17,630,000	32,630,000	15,000,000	
	<u>\$410,593,000</u>	<u>\$425,464,481</u>	<u>\$18,192,148</u>	<u>\$3,320,667</u>

*10 months' actual—2 months' forecast.

COMPARATIVE SUMMARY

**NET INTERIM* AND ACTUAL ORDINARY REVENUE AND ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1955, TO MARCH 31, 1956**

	INTERIM	ACTUAL	ACTUAL OVER INTERIM
Net Ordinary Revenue.....	\$411,342,000	\$427,969,363	\$16,627,363
Less: Net Ordinary Expenditure (before providing for Sinking Funds).....	392,963,000	392,834,481	128,519
Surplus (before providing for Sinking Funds).....	\$ 18,379,000	\$ 35,134,882	\$16,755,882
Less: Provision for Sinking Funds.....	17,630,000	32,630,000	15,000,000
Surplus.....	<u>\$ 749,000</u>	<u>\$ 2,504,882</u>	<u>\$ 1,755,882</u>

*10 months' actual—2 months' forecast.

COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1955, TO MARCH 31, 1956

	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Highways.....	\$ 3,400,000	\$ 3,168,588	\$	\$ 231,412
Labour.....	9,300,000	9,495,837	195,837	
Lands and Forests.....	353,000	338,057		14,943
Mines.....	180,000	183,398	3,398	
Planning and Development.....	485,000	861,928	376,928	
Provincial Secretary.....	9,355,000	9,492,247	137,247	
Public Welfare.....		3,824	3,824	
Public Works.....	1,000	21,812	20,812	
Treasury.....	57,671,000	73,006,356	15,335,356	
	<u>\$80,745,000</u>	<u>\$96,572,047</u>	<u>\$16,073,402</u>	<u>\$ 246,355</u>

*10 months' actual—2 months' forecast.

COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL PAYMENTS FOR THE FISCAL YEAR APRIL 1, 1955, TO MARCH 31, 1956

	NET INTERIM CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 250,000	\$ 234,150	\$	\$ 15,850
Highways.....	94,765,000	92,170,893		2,594,107
Labour.....	9,300,000	9,168,425		131,575
Lands and Forests.....	173,000	128,297		44,703
Mines.....	750,000	998,249	248,249	
Municipal Affairs.....	8,250,000	8,226,070		23,930
Planning and Development.....	4,685,000	1,722,896		2,962,104
Provincial Secretary.....	3,182,000	3,188,851	6,851	
Public Welfare.....		1,067	1,067	
Public Works.....	25,386,000	24,904,510		481,490
Treasury.....	1,097,000	1,102,812	5,812	
	<u>\$147,838,000</u>	<u>\$141,846,220</u>	<u>\$ 261,979</u>	<u>\$6,253,759</u>

*10 months' actual—2 months' forecast.

TREASURY BOARD ORDERS

**STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE
AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS,
DURING THE FISCAL YEAR ENDED MARCH 31, 1956**

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	ORDINARY				
	Department of Agriculture				
	Main Office:				
Jan. 31, 1956	Workmen's Compensation Board—Awards and Costs.....	4,500.00		2,892.03	
Jan. 31, 1956	Unemployment Insurance Stamps.....	1,000.00			
	Agricultural and Horticultural Societies Branch:				
Nov. 22, 1955	Judges' Services, Travelling and Other Expenses...	800.00		727.94	
Nov. 22, 1955	Field Crop Competitions, Grants, etc.....	1,100.00		803.24	
Nov. 22, 1955	Grants to Agricultural Societies.....	5,000.00		4,988.69	
	Agricultural Representative Branch:				
Mar. 21, 1956	Agricultural Representative Work, Services, Expenses and Equipment, etc.....	15,000.00		6,327.68	
	Co-operation and Markets Branch:				
Nov. 22, 1955	Salaries.....	7,100.00		6,312.77	
	Farm Economics Branch:				
	Salaries:				
Nov. 22, 1955	Order.....\$1,700.00				
Feb. 15, 1956	Order.....500.00				
		2,200.00		2,017.95	
	Field Crops Branch:				
Mar. 21, 1956	Administration of The Weed Control Act, The Seed Potatoes Act, Improvement Work, etc.....	6,000.00		5,993.46	
	Fruit Branch:				
Nov. 22, 1955	Salaries.....	10,000.00		9,100.77	
Jan. 31, 1956	Fruit Work, including expenditure under The Plant Diseases Act.....	20,000.00		18,807.28	
	Live Stock Branch:				
Feb. 15, 1956	Travelling Expenses.....	800.00		720.50	
Feb. 15, 1956	Educational and Demonstration Work, etc.....	11,000.00		10,872.35	
Nov. 22, 1955	Services and Expenses re Administration of The Stallions Act.....	1,000.00		822.35	
	Women's Institute Branch and Home Economics Service:				
Mar. 21, 1956	Maintenance.....	2,000.00		1,634.72	
Mar. 21, 1956	Services, Travelling, Equipment, Grants, etc.....	5,000.00		1,607.51	
	Horticultural Experiment Station, Vineland:				
Nov. 22, 1955	Salaries.....	8,800.00		8,454.80	
	Kemptville Agricultural School:				
Jan. 31, 1956	Salaries.....	4,300.00		4,231.46	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Agriculture—Continued		
Feb. 15, 1956	Ontario Agricultural College, Guelph: Salaries.....	2,400.00	618.05
Jan. 31, 1956	Ontario Veterinary College, Guelph: Apparatus, Telephone Service, Maintenance, etc..	25,000.00	24,979.69
		133,000.00	111,913.24
	Department of Attorney-General		
	Main Office:		
Feb. 15, 1956	Salaries.....	4,000.00	3,522.21
Feb. 15, 1956	Travelling Expenses.....	1,000.00	.....
Feb. 15, 1956	Maintenance.....	9,000.00	8,951.26
June 16, 1955	Commissions and Sundry Investigations.....	1,000.00	1,000.00
	Supreme Court of Ontario:		
Feb. 15, 1956	Master's Office—Salaries.....	3,000.00	2,583.84
	Registrar's Office:		
Feb. 15, 1956	Salaries.....	2,500.00	2,027.38
Mar. 21, 1956	Maintenance.....	1,000.00	980.98
	Criminal Justice Accounts:		
Feb. 15, 1956	Crime Detection Laboratory, Salaries.....	1,000.00	690.00
Feb. 15, 1956	Magistrates and Juvenile Court Judges, Salaries ..	5,000.00	.....
	Official Guardian's Office:		
Feb. 15, 1956	Maintenance.....	9,700.00	8,731.53
	Accountant's Office—Supreme Court of Ontario:		
Feb. 15, 1956	Maintenance.....	2,500.00	2,436.35
	Fire Marshal's Office:		
Feb. 15, 1956	Salaries.....	5,000.00	3,125.04
Feb. 15, 1956	Travelling Expenses.....	2,000.00	1,922.59
Mar. 21, 1956	Maintenance.....	1,000.00	919.48
	Inspector of Legal Offices:		
Mar. 21, 1956	Judicial Officers in Districts, Maintenance.....	2,000.00	.....
	Ontario Provincial Police:		
	Salaries:		
Feb. 15, 1956	Order.....\$245,000.00		
Mar. 21, 1956	Order.....20,000.00		
		265,000.00	263,515.20
Feb. 15, 1956	Maintenance.....	70,000.00	69,874.97
Feb. 15, 1956	Ontario Police College.....	5,000.00	4,937.91
		389,700.00	375,218.74
	Department of Education		
	Elementary Education Branch:		
Feb. 15, 1956	Salaries.....	7,000.00	6,998.59
Feb. 15, 1956	Inspection of Elementary Schools, Salaries.....	65,000.00	59,771.29
	Secondary Education Branch:		
Feb. 15, 1956	Salaries.....	12,000.00	11,994.84
Feb. 15, 1956	Other Technical Institutes, Salaries.....	1,000.00	.....
Feb. 15, 1956	Provincial Institute of Trades, Toronto, Salaries....	17,000.00	15,097.18

DATE OF ORDER	SERVICE	AUTHORIZED \$ c.	EXPENDED \$ c.
Department of Education—Continued			
Professional Training Branch:			
Feb. 15, 1956	Salaries.....	2,500.00	2,349.27
Teachers' Colleges:			
Feb. 15, 1956	Salaries.....	85,000.00	77,512.46
Mar. 7, 1956	Students, Board and Travelling Expenses.....	3,000.00	2,896.05
Special Services:			
Feb. 15, 1956	Art, Salaries.....	500.00	423.06
Feb. 15, 1956	Community Programmes, Salaries.....	5,000.00	1,768.17
Feb. 15, 1956	Correspondence Courses, Salaries.....	8,000.00	7,944.76
Feb. 15, 1956	Music, Salaries.....	1,000.00	779.84
Public Libraries Branch:			
Feb. 15, 1956	Salaries.....	200.00	189.88
Mar. 27, 1956	Travelling Libraries, Salaries.....	200.00	156.70
Ontario School for the Blind, Brantford:			
Feb. 15, 1956	Salaries.....	4,000.00	2,764.97
Ontario School for the Deaf, Belleville:			
Feb. 15, 1956	Salaries.....	5,000.00	3,175.91
Miscellaneous Grants.....			
Aug. 25, 1955		25,000.00	24,999.50
		241,400.00	218,822.47
Department of Health			
Main Office:			
Workmen's Compensation Board:			
Jan. 31, 1956	Awards and costs excluding Mental Health Branch.....	3,000.00	1,722.78
Mar. 7, 1956	re Tuberculosis contracted by an employee of a Hospital, etc.....	42,000.00	41,161.45
Grant:			
July 26, 1955	Alcoholism Research Foundation.....	25,000.00	24,600.00
Cancer Control:			
Mar. 7, 1956	Grant to Ontario Cancer Treatment and Research Foundation.....	60,000.00	59,428.46
Health Units Branch:			
Mar. 7, 1956	Special Health Services authorized by the Minister, etc.....	50,000.00	49,855.22
Nursing Branch:			
Jan. 31, 1956	Travelling Expenses.....	500.00	489.43
Sanitary Engineering Branch:			
Jan. 31, 1956	Maintenance.....	2,000.00	1,778.88
Public and Private Hospitals Branch:			
Mar. 7, 1956	Travelling and Incidental Expenses for the Removal and Escort of Indigent Patients, etc..	3,000.00	1,948.80
Mental Health Branch:			
General Expenses:			
Mar. 7, 1956	Workmen's Compensation Board—Awards and Costs.....	10,000.00	9,675.03
		195,500.00	190,660.05

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Highways				
	Main Office:				
	Cost of Living Bonus:				
Nov. 29, 1955	Order.....	\$45,000.00			
Mar. 14, 1956	Order.....	6,000.00			
		51,000.00		48,602.32	
Nov. 29, 1955	Unemployment Insurance Stamps.....	65,000.00		42,544.56	
Jan. 17, 1956	Fort Henry.....	50,000.00		48,573.94	
	District Offices:				
Apr. 18, 1956	Maintenance: King's Highways and Development Roads (The Highway Improvement Act, Sections 73, 78 and 83).....	1,000,000.00		903,857.66	
May 8, 1956	Municipal Subsidies (The Highway Improvement Act, Sections 18, 23, 27, 28, 28a, 33, 43, 46, 47, 49, 50 and 58).....	2,600,000.00		2,500,621.62	
	Motor Vehicles Branch:				
Mar. 27, 1956	Highway Safety Publicity.....	50,000.00		16,042.83	
		3,816,000.00		3,560,242.93	
	Department of Insurance				
Mar. 21, 1956	Maintenance.....	10,000.00		9,196.29	
	Department of Labour				
	Main Office:				
Feb. 15, 1956	Salaries.....	2,000.00		391.38	
	Maintenance:				
Dec. 20, 1955	Order.....	\$58,000.00			
Mar. 14, 1956	Order.....	25,000.00			
		83,000.00		74,477.13	
	Conciliation Boards (Commissioners, etc.):				
Nov. 15, 1955	Order.....	\$35,000.00			
Feb. 15, 1956	Order.....	10,000.00			
		45,000.00		40,377.17	
Feb. 15, 1956	Advertising, Investigations, etc.....	3,000.00		1,079.61	
Jan. 5, 1956	Cost of Living Bonus.....	1,000.00		50.16	
July 26, 1955	Miscellaneous Grants.....	500.00		400.00	
	Industry and Labour Board:				
Jan. 5, 1956	Salaries.....	6,000.00		5,582.16	
	Apprenticeship Branch:				
Jan. 5, 1956	Salaries.....	9,000.00			
	Boiler Inspection Branch:				
Feb. 15, 1956	Salaries.....	2,000.00		1,310.80	
Jan. 5, 1956	Travelling Expenses.....	2,000.00		1,820.96	
	Board of Examiners of Operating Engineers:				
	Salaries:				
Jan. 5, 1956	Order.....	\$5,000.00			
Feb. 15, 1956	Order.....	1,500.00			
		6,500.00		5,627.44	
Feb. 15, 1956	Maintenance.....	3,000.00		1,875.26	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Labour—Continued		
Jan. 5, 1956	Labour Relations Board:		
	Salaries.....	19,500.00	17,873.09
Jan. 5, 1956	Per Diem Allowances (Board Members):		
Feb. 15, 1956	Order.....\$4,000.00		
	Order.....2,000.00		
		6,000.00	5,015.00
Jan. 5, 1956	Travelling Expenses.....	3,000.00	2,301.28
	Office of Athletics Commissioner:		
Nov. 15, 1955	Travelling Expenses.....	500.00	223.84
Nov. 15, 1955	Maintenance.....	1,000.00	491.35
Feb. 15, 1956	Assistance to Amateur Sport.....	2,500.00	1,846.35
	Elevator Inspection Branch:		
Jan. 5, 1956	Salaries.....	3,000.00	1,665.11
		198,500.00	162,408.09
	Department of Lands and Forests		
Mar. 21, 1956	Main Office:		
	Travelling Expenses.....	5,000.00	3,054.08
	Workmen's Compensation Board—Awards and Costs:		
Dec. 20, 1955	Order.....\$30,000.00		
Mar. 21, 1956	Order.....12,000.00		
		42,000.00	37,035.58
Mar. 21, 1956	Annuities and Bonuses to Indians under Treaty No. 9.....	1,376.00	1,376.00
Mar. 21, 1956	Unemployment Insurance Stamps.....	3,000.00	1,777.77
	Field Services:		
	Basic Organization—District Offices (including Provincial Parks, etc.):		
Dec. 20, 1955	Salaries.....	185,000.00	.....
	Maintenance and Operating:		
Dec. 20, 1955	Order.....\$400,000.00		
Mar. 21, 1956	Order.....300,000.00		
		700,000.00	594,686.82
	Extra Fire Fighting:		
	Salaries, etc., Maintenance and Operating:		
Aug. 25, 1955	Order.....\$1,250,000.00		
Sept. 15, 1955	Order.....1,500,000.00		
Nov. 22, 1955	Order.....450,000.00		
Apr. 18, 1956	Order.....100,000.00		
		3,300,000.00	3,289,604.30
	Air Service Branch:		
Dec. 20, 1955	Travelling Expenses.....	5,000.00	.....
Dec. 20, 1955	Maintenance and Operating.....	65,000.00	48,391.14
		4,306,376.00	3,975,925.69
	Department of Mines		
Feb. 15, 1956	Main Office:		
	Salaries.....	7,000.00	6,886.37
	Fees, Salaries and Expenses:		
	Legal, Professional and Miscellaneous Services—		
July 26, 1955	Order.....\$15,000.00		
Feb. 29, 1956	Order.....10,000.00		
		25,000.00	21,557.57

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Mines—Continued		
Feb. 15, 1956	Mining Lands Branch: Salaries, Equipment, Travelling and Other Expenses.....	29,000.00	22,391.16
		61,000.00	50,835.10
	Department of Municipal Affairs		
Jan. 31, 1956	Main Office: Grants to Municipalities: Payments in lieu of Certain Municipal Taxes...	30,000.00	29,999.58
Jan. 5, 1956	Ontario Municipal Board: Maintenance.....	10,000.00	5,421.71
		40,000.00	35,421.29
	Department of Planning and Development		
Nov. 15, 1955	Main Office: Salaries.....	20,100.00	20,079.22
Nov. 15, 1955	Maintenance.....	5,000.00	4,988.20
Nov. 15, 1955	Postage.....	3,000.00	2,997.90
Nov. 15, 1955	Cost of Living Bonus.....	1,000.00	.....
Jan. 31, 1956	Conservation Branch: Travelling Expenses.....	2,100.00	1,896.30
Jan. 31, 1956	Trade and Industry Branch: Salaries.....	1,075.00	488.93
		32,275.00	30,450.55
	Office of Provincial Auditor		
Nov. 22, 1955	Maintenance.....	15,000.00	8,826.61
	Department of Provincial Secretary		
Jan. 5, 1956	Main Office: Salaries.....	30,000.00	20,118.44
Jan. 5, 1956	Travelling Expenses.....	1,000.00	.....
Jan. 5, 1956	Maintenance.....	15,000.00	14,982.78
Dec. 13, 1955	Cost of Living Bonus.....	13,500.00	10,469.14
Mar. 7, 1956	Office of the Speaker: Maintenance.....	1,000.00	846.93
Mar. 7, 1956	Allowance to Mr. Speaker in lieu of Contingencies: Order.....\$2,250.00		
Apr. 18, 1956	Order.....2,000.00	4,250.00	3,872.95
Feb. 15, 1956	Queen's Printer: Salaries.....	5,000.00	3,908.78
Feb. 15, 1956	Maintenance.....	1,000.00	886.24
Feb. 15, 1956	Ontario Gazette.....	5,000.00	4,945.75

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Provincial Secretary —Continued		
	Sessional Requirements:		
Apr. 18, 1956	Clerks of Committees, Sergeant-at-Arms, Messengers, Pages, Sessional Writers, etc.....	2,500.00	1,792.61
	Indemnities and Allowances to Members, including Mileage:		
Feb. 15, 1956	Order.....	\$ 35,000.00	
Apr. 18, 1956	Order.....	170,000.00	
		205,000.00	175,300.15
Feb. 15, 1956	Stationery, including Printing Paper, etc.....	25,000.00	11,298.71
	Maintenance:		
Feb. 15, 1956	Order.....	\$1,000.00	
Apr. 18, 1956	Order.....	1,000.00	
		2,000.00	1,926.49
	Hansard:		
Feb. 15, 1956	Order.....	\$10,000.00	
Apr. 18, 1956	Order.....	15,000.00	
		25,000.00	20,162.14
July 26, 1955	Committee Fees, etc.....	50,000.00	43,881.78
	Miscellaneous Requirements:		
	Government Hospitality Fund:		
Jan. 17, 1956	Order.....	\$4,000.00	
Apr. 18, 1956	Order.....	1,000.00	
		5,000.00	4,279.99
		390,250.00	318,672.94
	Department of Public Welfare		
	Old Age Assistance Branch:		
Mar. 21, 1956	Medical Services.....	40,000.00	37,886.40
Dec. 20, 1955	Medical and Surgical Treatment to Recipients of Allowances under The Blind Persons Act (Canada).....	3,000.00	.....
	Homes for the Aged Branch:		
	Grants:		
Mar. 21, 1956	Refuges—Aid for Maintenance.....	7,500.00	7,041.00
		50,500.00	44,927.40
	Department of Public Works		
	Main Office:		
Feb. 15, 1956	Maintenance.....	10,000.00	6,101.70
Feb. 15, 1956	Workmen's Compensation Board—Awards and Costs.....	17,000.00	16,924.99
Feb. 15, 1956	Unemployment Insurance Stamps.....	15,000.00	631.77
	Public Buildings—Maintenance and Repairs:		
	Lieutenant-Governor's Apartment:		
Feb. 15, 1956	Maintenance.....	1,000.00	736.41
	Osgoode Hall and Ontario Government Office Building, Queen and York Streets:		
Apr. 18, 1956	Maintenance.....	4,000.00	3,327.94
	Aid to Drainage:		
Feb. 15, 1956	Salaries and Expenses in connection with preparing Drainage Schemes and for Construction, Improvement or Reconstruction of Trunk Channels for Farm Drainage in Northern Ontario.....	10,000.00	7,100.11

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Works—Continued		
	Miscellaneous:		
Nov. 1, 1955	Preparing and Installing Exhibits for Government Departments, etc.....	6,000.00	5,753.09
Nov. 22, 1955	Expenses re Hurricane Hazel on October 15 and 16, 1954.....	600,000.00	.....
		663,000.00	40,576.02
	Department of Travel and Publicity		
	Main Office:		
Feb. 15, 1956	Travelling Expenses.....	1,000.00	870.73
	Information Branch:		
Feb. 15, 1956	Operation of Official Reception Centres, including Purchase and Rental of Equipment, etc.....	1,000.00	987.43
		2,000.00	1,858.16
	Treasury Department		
	Main Office:		
Jan. 31, 1956	Travelling Expenses.....	1,500.00	706.64
Nov. 29, 1955	Dominion-Provincial Conference.....	10,000.00	5,979.97
	Comptroller of Revenue:		
Apr. 11, 1956	Travelling Expenses.....	3,000.00	1,200.43
	Maintenance:		
Apr. 11, 1956	Order.....\$6,000.00		
Apr. 18, 1956	Order.....7,500.00		
		13,500.00	13,264.36
	Office of Provincial Economist:		
	Fees and Expenses for Special Studies and Research		
Nov. 29, 1955	Order.....\$8,000.00		
Apr. 11, 1956	Order.....8,000.00		
		16,000.00	14,435.64
		44,000.00	35,587.04
	Total Ordinary Treasury Board Orders.....	10,588,501.00	9,171,542.61

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	CAPITAL		
	Department of Highways		
Sept. 21, 1955	District Offices: Municipal Subsidies (The Highway Improvement Act, Sections 18, 23, 27, 28, 28a, 33, 43, 46, 47, 49, 50 and 58).....	5,000,000.00	.....
	Department of Planning and Development		
Aug. 25, 1955	Community Planning Branch: Special Projects—The Investigation, Design, Development and Servicing of Mining Townsites in Ontario.....	100,000.00	.....
	Department of Public Welfare		
Mar. 21, 1956	Disabled Persons' Allowances Branch: Allowances in accordance with The Disabled Persons' Allowances Act	3,000.00	2,951.48
	Treasury Department		
June 16, 1955	Accountable Funds for Departments: Order.....\$500,000.00		
Aug. 25, 1955	Order.....800,000.00	1,300,000.00	.....
	Total Capital Treasury Board Orders.....	6,403,000.00	2,951.48
	Total Treasury Board Orders.....	16,991,501.00	9,174,494.09

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR
ENDED MARCH 31, 1956

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Health		
May 19, 1955	Special Grant to the Corporation of the City of Hamilton, to assist with the Capital Construction cost of the Health Centre.....	15,000.00	15,000.00
Nov. 17, 1955	Dr. K. G. Gray for Professional Services re Morbidity Study.....	1,500.00	1,500.00
Nov. 17, 1955	Honoraria for Extra Services re preparation of "A Guide to Hospital Building in Ontario".....	3,235.00	3,235.00
		19,735.00	19,735.00
	Department of Mines		
Oct. 13, 1955	Settlement of a claim against the Crown for Expenses incurred in the Staking and Recording of certain mining claims which were disallowed to Mr. H. C. Meades of Sudbury.....	37.50	37.50
	Office of Prime Minister		
Dec. 22, 1955	Canteen Supplies for Her Majesty's Forces Stationed Overseas and in the Various Camps in Ontario...	11,000.00	10,514.10
	Department of Public Welfare		
July 7, 1955	Grant to the Canadian Welfare Council Building Fund.....	3,500.00	3,500.00
Aug. 11, 1955 Sept. 22, 1955	Payment of the Travelling and Living Expenses, together with an allowance of \$10.00 per diem while attending meetings or engaged in work of Members of the Advisory Committee of The Indian Welfare Services Act, 1955, and such Other Expenses as are consonant with the provisions of Section 4 of the said Act.....	10,000.00	1,389.16
Dec. 1, 1955	Grant to the United Church Toronto Conference Committee on Homes for Senior Citizens, 299 Queen Street West, Toronto 2B, Ontario, to assist it in the purchase of Property, including buildings, located at New Liskeard and Orillia, Ontario, which are to be used for Homes for Senior Citizens and approved under The Charitable Institutions Act.....	40,000.00	40,000.00
		53,500.00	44,889.16

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Works		
Sept. 1, 1955	Expenses of The Ontario Water Resources and Supply Committee.....	75,000.00	24,018.74
	Total Special Warrants.....	159,272.50	99,194.50



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PROVINCIAL AUDITOR'S REPORT

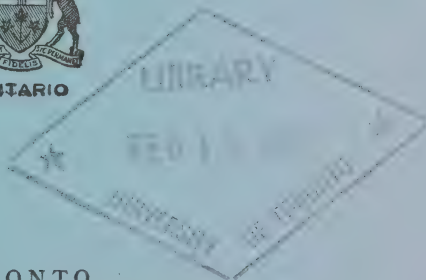
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PROVINCE OF ONTARIO

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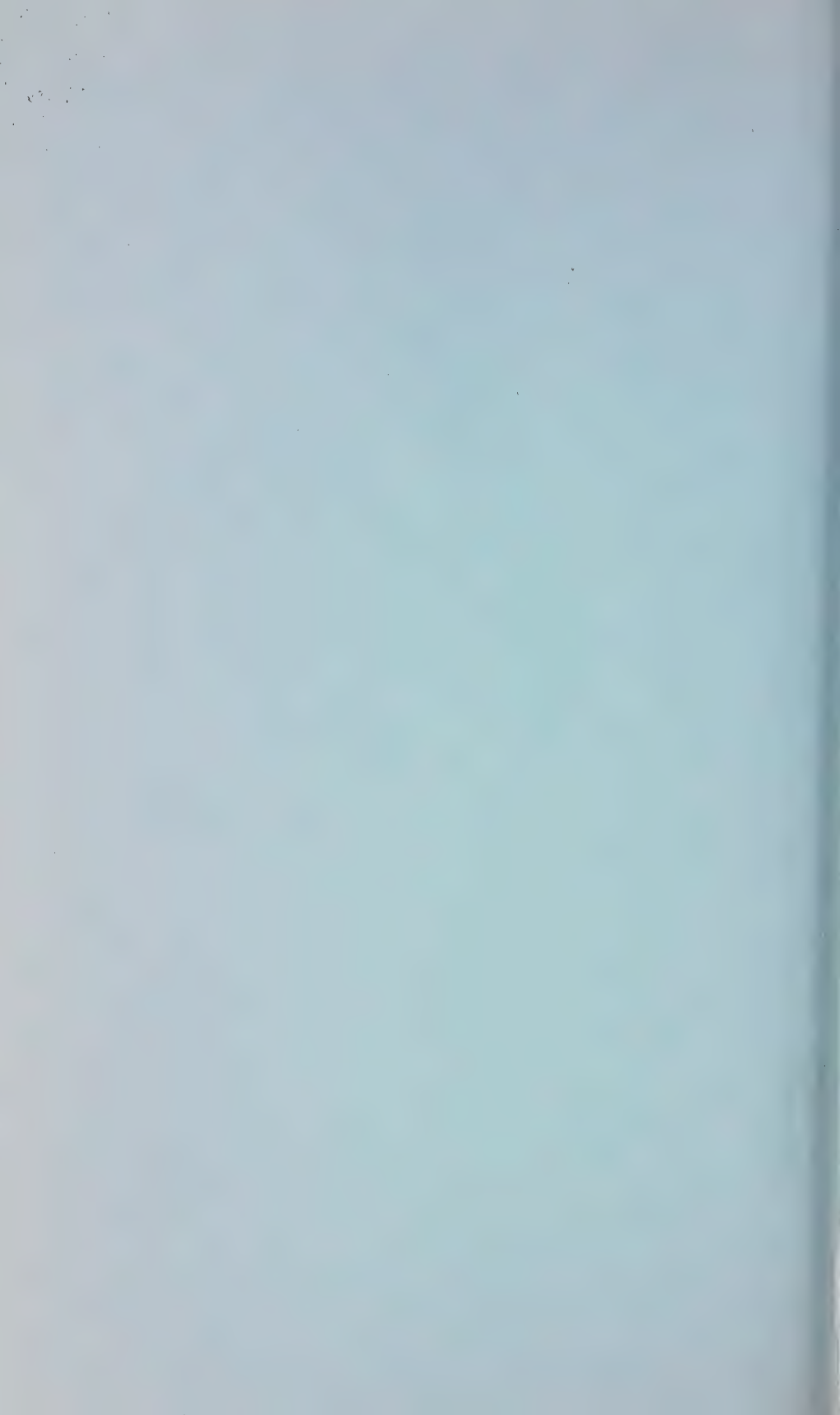
ONTARIO



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1958



PROVINCIAL AUDITOR'S REPORT

1956-57

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
SESSIONAL PAPER No. 3, 1958



TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
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1958

TO THE HONOURABLE LOUIS ORVILLE BREITHAUP, LL.D.,
Lieutenant-Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1957, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
Toronto, November 28, 1957.



REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1957, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1956 - 1957

I have the honour to report to the Legislative Assembly on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1957, in accordance with the requirements of The Audit Act.

The Balance Sheet of the Province of Ontario as at March 31, 1957, the Statements of Revenue and Expenditure for the year ended on that date, and other related statements published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion, and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1957, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been used as in previous years, and the Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1957, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1956-57

The Honourable Dana Porter, Q.C., LL.D., as Treasurer of Ontario, in his address to the Legislative Assembly of Ontario on March 1st, 1956, presented budget forecasts of ordinary revenue and expenditure, and of capital receipts and payments for the fiscal year ended March 31, 1957, and in his budget address on February 21, 1957, presented interim statements of ordinary revenue and expenditure and of capital receipts and payments for the same fiscal year, consisting of nine months' actual results and three months' forecast.

The statements which follow compare the budget forecasts with the actual results for the fiscal year ended March 31, 1957. Comparative summaries of the interim statements (nine months' actual and three months' forecast) and the actual results are appended to this report together with certain other statements and charts presenting information on the financial operations of the Province as detailed on page 29 of this report.

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1956, TO MARCH 31, 1957**

	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture.....	\$ 1,091,000	\$ 1,216,095	\$ 125,095	\$
Attorney-General.....	4,307,000	5,202,762	895,762	
Economics.....		462	462	
Education.....	1,340,000	1,391,893	51,893	
Health.....	4,286,000	4,357,874	71,874	
Highways:				
Main Office.....	250,000	505,552	255,552	
Motor Vehicles Branch.....	41,000,000	49,101,106	8,101,106	
Total for Highways.....	\$ 41,250,000	\$ 49,606,658	\$ 8,356,658	
Insurance.....	\$ 431,000	\$ 503,673	\$ 72,673	\$
Labour.....	553,000	714,680	161,680	
Lands and Forests.....	19,512,000	20,881,874	1,369,874	
Mines.....	7,051,000	9,425,098	2,374,098	
Municipal Affairs.....	249,000	363,192	114,192	
Planning and Development.....		6,122	6,122	
Prime Minister.....		19	19	
Provincial Secretary.....	2,045,000	2,086,056	41,056	
Public Welfare.....		2,600	2,600	
Public Works.....	210,000	220,445	10,445	
Reform Institutions.....	604,000	658,906	54,906	
Travel and Publicity.....	27,000	24,325		2,675
Treasury:				
Main Office—Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....		15,387	15,387	
Ontario Racing Commission.....	50,000	71,388	21,388	
Ontario Fuel Board.....	38,000	93,726	55,726	
Liquor Control Board—				
Profits.....	45,000,000	56,100,000	11,100,000	
Transfer Fees.....	700,000	493,688		206,312
Public Utilities Tax.....	1,000,000	1,428,408	428,408	
Comptroller of Revenue—				
Tax Rental Agreement.....	151,700,000	160,558,129	8,858,129	
Gas Tax.....	100,000,000	112,970,087	12,970,087	
Succession Duty.....	21,000,000	29,160,840	8,160,840	
Security Transfer Tax.....	2,500,000	3,502,601	1,002,601	
Race Tracks Tax.....	3,400,000	4,294,269	894,269	
Hospitals Tax.....	4,200,000	4,614,580	414,580	
Logging Tax.....	600,000	860,857	260,857	
Land Transfer Tax.....	2,500,000	3,691,332	1,191,332	
Law Stamps.....	900,000	1,287,955	387,955	
Miscellaneous.....		2,220	2,220	
Theatres Branch.....	263,000	260,758		2,242
Total for Treasury.....	\$337,563,000	\$383,118,301	\$45,763,915	\$ 208,614
Stationery Account.....		\$ 2,156	\$ 2,156	
	\$420,519,000	\$479,783,191	\$59,475,480	\$ 211,280

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1956, TO MARCH 31, 1957**

	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture.....	\$ 10,920,000	\$ 10,651,398	\$	\$ 268,602
Attorney-General.....	14,765,000	14,953,908	188,908	
Economics.....	230,000	198,383		31,617
Education.....	108,030,000	107,395,641		634,359
Health.....	57,334,000	62,500,398	5,166,398	
Highways:				
Maintenance and Administration	68,178,000	64,781,971		3,396,029
Appropriation to Highway Con- struction Account.....	20,000,000	57,500,000	37,500,000	
Insurance.....	276,000	275,131		869
Labour.....	2,141,000	2,023,912		117,088
Lands and Forests.....	15,395,000	16,037,678	642,678	
Lieutenant-Governor.....	20,000	18,850		1,150
Mines.....	1,330,000	1,256,470		73,530
Municipal Affairs.....	16,705,000	16,496,704		208,296
Planning and Development.....	2,404,000	2,969,880	565,880	
Prime Minister.....	126,000	137,902	11,902	
Provincial Auditor.....	350,000	332,610		17,390
Provincial Secretary.....	2,041,000	2,320,332	279,332	
Public Welfare.....	31,276,000	29,303,482		1,972,518
Public Works.....	7,665,000	6,788,107		876,893
Reform Institutions.....	8,031,000	7,209,082		821,918
Travel and Publicity.....	1,004,000	1,025,009	21,009	
Treasury.....	5,745,000	6,797,078	1,052,078	
	<u>\$373,966,000</u>	<u>\$410,973,926</u>	<u>\$45,428,185</u>	<u>\$ 8,420,259</u>
Public Debt:				
Interest, Exchange, etc.....	28,056,000	26,275,714		1,780,286
Sinking Fund Instalments.....	17,729,000	40,729,000	23,000,000	
	<u>\$419,751,000</u>	<u>\$477,978,640</u>	<u>\$68,428,185</u>	<u>\$10,200,545</u>

COMPARATIVE SUMMARY

**BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1956, TO MARCH 31, 1957**

	BUDGET	ACTUAL	ACTUAL OVER BUDGET
Net Ordinary Revenue.....	\$420,519,000	\$479,783,191	\$59,264,191
Less: Net Ordinary Expenditure (before pro- viding for Sinking Funds).....	402,022,000	437,249,640	35,227,640
Surplus (before providing for Sinking Funds)....	\$ 18,497,000	\$ 42,533,551	\$24,036,551
Less: Provision for Sinking Funds.....	17,729,000	40,729,000	23,000,000
Surplus.....	<u>\$ 768,000</u>	<u>\$ 1,804,551</u>	<u>\$ 1,036,551</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1956, TO MARCH 31, 1957**

	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER BUDGET INCREASE	DECREASE
Highways:				
Unsatisfied Judgment Fund:				
Fees, etc.....	\$ 2,200,000	\$ 2,201,669	\$ 1,669	\$
Operating fund—contra.....	200,000			200,000
Sale of Property.....	500,000	1,091,328	591,328	
Other.....		121,091	121,091	
Labour:				
Vacation-with-Pay Stamps.....	9,500,000	12,724,885	3,224,885	
Other.....		300	300	
Lands and Forests:				
Land Sales.....	250,000	309,313	59,313	
Recovery of Construction Costs:				
Logging Roads.....		36,590	36,590	
Contract Security Deposits.....		17,200	17,200	
Other.....	28,000	21,598		6,402
Mines:				
Mining Land Sales.....	100,000	228,426	128,426	
Planning and Development:				
The Housing Development Act—				
Recovery of Advances, etc.....	500,000	663,705	163,705	
Community Planning.....	250,000	91,063		158,937
Other.....		465	465	
Provincial Secretary:				
Public Service Superannuation Fund	9,000,000	10,399,673	1,399,673	
Public Service Retirement Fund...	550,000	922,868	372,868	
Public Welfare:				
Old Age Assistance Branch, etc....		1,067	1,067	
Public Works:				
Sale of Property.....		116,896	116,896	
Treasury:				
Appropriations from Ordinary Account:				
The Highway Construction				
Account.....	20,000,000	57,500,000	37,500,000	
Sinking Fund Instalments.....	17,729,000	40,729,000	23,000,000	
Loans and Advances—				
Sundry Loans and Advances....	3,091,500	3,126,388	34,888	
Accountable Funds—contra.....	4,000,000			4,000,000
Special Funds.....	312,500	1,764,537	1,452,037	
Premium and Discount on Debentures.....	717,000	1,436,908	719,908	
Corporations Tax (arrears).....	300,000	383,166	83,166	
Other.....		43,077	43,077	
	<u>\$69,228,000</u>	<u>\$133,931,213</u>	<u>\$69,068,552</u>	<u>\$4,365,333</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL PAYMENTS
FOR THE FISCAL YEAR APRIL 1, 1956, TO MARCH 31, 1957**

	BUDGET CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER BUDGET INCREASE	DECREASE
Agriculture:				
Co-operative Loans.....	\$ 450,000	\$ 582,064	\$ 132,064	\$
Revolving fund for The Ontario Telephone Development Cor- poration.....	250,000	250,000		
Highways:				
District Offices—				
Highway Construction.....	40,800,000	44,648,017	3,848,017	
Highway Construction charged to Highway Construction Account.....	37,000,000	58,127,300	21,127,300	
Municipal Roads Branch—				
Development and other Roads..	5,400,000	4,805,278		594,722
Municipal Subsidies.....	30,000,000	26,624,276		3,375,724
Contingencies.....	35,000	6,162		28,838
Motor Vehicles Branch—				
Unsatisfied Judgment Fund: Judgments, etc.....	2,200,000	1,857,547		342,453
Operating fund—contra....	200,000			200,000
Labour:				
Vacation-with-Pay Stamps.....	9,500,000	10,476,378	976,378	
Lands and Forests:				
Logging Roads.....	360,000	166,337		193,663
Other.....	28,000	21,598		6,402
Mines:				
Mining Roads.....	1,000,000	900,003		99,997
Municipal Affairs:				
Assistance for Rural Power Trans- mission Lines.....	9,200,000	6,143,716		3,056,284
Planning and Development:				
The Housing Development Act..	8,000,000	1,573,926		6,426,074
Conservation.....	4,210,000	1,148,963		3,061,037
Community Planning.....	500,000	1,963		498,037
The Ontario-St. Lawrence Devel- opment Commission.....	1,500,000	421,781		1,078,219
Provincial Secretary:				
Public Service Superannuation Fund.....	2,975,000	3,306,438	331,438	
Public Service Retirement Fund..	350,000	694,095	344,095	
Public Welfare:				
Old Age Assistance Branch.....		48	48	
Public Works:				
Purchase of Property and Con- struction of Buildings.....	41,000,000	28,696,743		12,303,257
Dams, Docks, and Drainage Works.....	520,000	505,885		14,115
Ontario Water Resources.....	2,000,000			2,000,000
Other.....	255,000	16,091		238,909
Treasury:				
Hydro-Electric Power Commission Accountable Funds—contra....	4,000,000	50,000,000	50,000,000	
Registry Office Surplus Fees.....	150,000	379,371	229,371	4,000,000
Guaranteed Debentures S.W.&A. Rly.....	148,500	149,445	945	
Tile Drainage Debentures.....	500,000	664,600	164,600	
Other.....	169,500	132,946		36,554
	<u>\$202,701,000</u>	<u>\$242,300,971</u>	<u>\$77,154,256</u>	<u>\$37,554,285</u>

Estimated gross expenditure for the year shown on page 5 of the 1957 estimates was \$647,977,000. This amount does not include Supplementary Estimates of \$49,880,000 voted by the Legislature at the 1957 session. Taking the Supplementary Estimates into account, the total Estimates for the year amounted to \$697,857,000. The actual gross expenditure was \$747,300,460, a net increase of \$49,443,460. The following analysis summarizes the net increase in gross actual over total estimated gross expenditure.

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1957**

CLASSIFICATION	TOTAL ESTIMATED	GROSS ACTUAL	GROSS ACTUAL UNDER ESTIMATED	GROSS ACTUAL OVER ESTIMATED
Ordinary				
Voted—				
Main Estimate.....	\$344,960,000			
Supplementary.....	49,880,000			
	<u>\$394,840,000</u>	<u>\$381,559,305</u>	<u>\$13,280,695</u>	
Statutory.....	92,594,000	115,504,383		\$22,910,383
Special Warrants.....		636,696		636,696
	<u>\$487,434,000</u>	<u>\$497,700,384</u>	<u>\$13,280,695</u>	<u>\$23,547,079</u>
Capital:				
Voted—				
Main Estimate.....	\$149,730,000	\$126,570,692	\$23,159,308	
Statutory.....	60,693,000	123,029,384		\$62,336,384
	<u>\$210,423,000</u>	<u>\$249,600,076</u>	<u>\$23,159,308</u>	<u>\$62,336,384</u>
	<u>\$697,857,000</u>	<u>\$747,300,460</u>	<u>\$36,440,003</u>	<u>\$85,883,463</u>

**Summary of Net Decreases or Increases in Gross Actual as compared
with Total Estimated Gross Expenditure**

CLASSIFICATION	DECREASE	INCREASE
Voted.....	\$36,440,003	
Statutory.....		\$85,246,767
Special Warrants.....		636,696
	<u>\$36,440,003</u>	<u>\$85,883,463</u>

The net decreases or increases in gross actual as compared with total estimated gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED

For the year under review, the Legislative Assembly authorized expenditure appropriations in the amount of \$544,570,000, comprising \$394,840,000 ordinary account and \$149,730,000 capital account. Actual gross expenditure charged to appropriations amounted to \$508,129,997, comprised of \$381,559,305 charged to

ordinary account and \$126,570,692 to capital account. Thus the gross expenditure charged to appropriations authorized was \$36,440,003 less than the total amount authorized. The principal under-expenditures in this amount relate to construction of public buildings \$12,303,257, conservation grants \$3,061,037, highway maintenance \$2,795,919, general legislative grants for education \$2,333,940, Ontario Water Resources \$2,000,000 and accountable funds of \$4,000,000. The under-expenditure in accountable funds results from the fact that expenditures of this nature are made for recoverable advances which when recovered prior to the year end are applied as a contra to the expenditure.

In all cases where the actual expenditure exceeded the original appropriation, the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$10,492,009, consisting of \$4,619,309 ordinary account and \$5,872,700 capital account with actual expenditures relative thereto amounting to \$8,224,539 of which \$3,268,081 applied to ordinary, and \$4,956,458 to capital. These expenditures form part of the total gross expenditure of \$508,129,997 referred to above and are not in addition thereto.

Full details of treasury board orders issued and the amounts expended under this authority will be found on pages 40-48 of this report.

STATUTORY

The Estimates presented for the year 1956-57 forecast \$153,287,000 gross expenditure under statutory authority. This amount was divided \$92,594,000 to ordinary expenditure and \$60,693,000 to capital expenditure. Actual gross statutory expenditure amounted to \$238,533,767 consisting of \$115,504,383 ordinary expenditure and \$123,029,384 capital expenditure, excluding loan maturities and sinking fund investments. The actual total gross statutory outlay exceeded the estimate by \$85,246,767. This is the result of actual gross ordinary statutory expenditure exceeding the estimate by \$22,910,383 and actual gross capital statutory payments being \$62,336,384 over the estimate.

The excess of \$22,910,383 in gross ordinary statutory expenditure is accounted for by additional sinking fund instalments of \$23,000,000, and a net decrease of \$89,617 in all other items of gross ordinary statutory expenditure.

The total gross outlay on capital statutory account exceeded the related estimates by \$62,336,384. This difference arises mainly from an advance of \$50,000,000 to the Hydro-Electric Power Commission of Ontario, an over-expenditure of \$21,127,300 in construction of King's highways and under-expenditures of \$6,426,074 under The Housing Development Act and \$3,056,284 in the bonus for rural primary and secondary lines under The Rural Hydro-Electric Distribution Act.

SPECIAL WARRANTS

During the year expenditure in the amount of \$636,696 was made through special warrants under authority of subsection 1, section 30, of The Financial Administration Act, 1954.

Full details of the expenditures made under Special Warrants will be found on pages 49-50 of this report.

**PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1957**

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1957, showing the percentage of each item to the total, classified by major categories, is presented in the following statement.

NET ORDINARY REVENUE

		%
Tax Rental Agreement.....	\$160,558,129	33.46
Gasoline Tax.....	112,970,087	23.55
Liquor Profits, Fines, Transfer Fees, etc.....	56,593,688	11.80
Motor Vehicle Licenses and Fees, etc.....	49,101,106	10.23
Succession Duty.....	29,160,840	6.08
Timber Dues, Bonus, etc.....	13,556,568	2.82
Mines Profit Tax.....	8,016,487	1.67
Hospitals Tax.....	4,614,580	.96
Race Track Betting Tax.....	4,294,269	.89
Fish and Wildlife Licenses, Royalties, etc.....	4,205,827	.88
Land Transfer Tax.....	3,691,332	.77
Government of Canada—Annual Subsidies.....	3,640,940	.76
Ontario Hospitals—Maintenance of Patients.....	3,531,982	.74
Security Transfer Tax.....	3,502,601	.73
All other revenues.....	22,344,755	4.66
	<u>\$479,783,191</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE

		%
Highways—		
Maintenance and Administration.....	\$64,781,971	
Appropriation to Highway Construction Account.....	57,500,000	
	<u>\$122,281,971</u>	25.58
Education.....	107,395,641	22.47
Public Debt—		
Interest, etc.....	\$26,275,714	
Sinking Fund Instalments.....	40,729,000	
	<u>67,004,714</u>	14.02
Health Services.....	62,500,398	13.08
Public Welfare.....	29,303,482	6.13
Conservation of Forests, Fish and Wildlife.....	16,037,678	3.35
Law Enforcement.....	14,953,908	3.13
Grants based on The Municipal Unconditional Grants Act, 1953..	12,702,169	2.66
Agricultural Services, Grants, etc.....	10,651,398	2.23
Reform Institutions.....	7,209,082	1.51
Public Buildings, Maintenance and Repairs, etc.....	6,788,107	1.42
All other expenditures.....	21,150,092	4.42
	<u>\$477,978,640</u>	<u>100.00</u>

On pages 32-33 of this report will be found a graphic presentation of several of the major items above giving comparisons for the five years ended March 31, 1957.

GENERAL

The tax rental agreement with the Federal Government, gasoline taxes, motor vehicle licenses and fees, liquor control revenues and succession duty provide the chief sources of ordinary revenue for the Province. Highway expenditures, including appropriations to the Highway Construction Account, education, public debt charges including provision for Sinking Fund, health services and welfare costs are the principal items of ordinary expenditure. Although other operations give rise to somewhat smaller amounts, the individual

totals are nevertheless significant in most cases and have an important place in the operations of the Province. I refer hereunder to some of the more important items of revenue and expenditure and other matters relating to the operations for the year ended March 31, 1957.

An agreement authorized by the Legislature of Ontario, was signed on October 29, 1952, between the Government of Canada and the Government of Ontario under which the Province of Ontario suspends the levy of individual income tax, corporation income tax and special corporation taxes for a period of five years from January 1, 1952, during which period Canada pays Ontario compensatory sums as set out in the agreement. An amount of \$160,558,129 was received during the year under the terms of this agreement. The several factors affecting the computation of the amount are set forth in Statement No. 32 on page 39 of the Public Accounts for 1956-57.

The agreement referred to above came to an end on December 31, 1956, and was not renewed. In its place the Province of Ontario has signed an Income Tax Rental Agreement in respect of the five years commencing on January 1, 1957, and ending on the 31st day of December, 1961, during which period Canada pays Ontario compensation as set out in The Income Tax Rental Agreement Act, 1957. In addition the Province has re-entered the Corporation tax field as from January 1, 1957, as authorized by The Corporations Tax Act, 1957.

During the year, gross capital expenditures on King's Highways, Development Roads and Municipal Roads Subsidies amounted to \$134,211,033. This amount includes \$58,127,300 from the Highway Construction Account. The total of \$134,211,033 is an increase of \$43,831,525 over 1956. In addition \$900,003 was spent on mining roads by the Department of Mines and \$166,337 was spent on logging roads by the Department of Lands and Forests.

A special advance of \$50,000,000 was made to the Hydro-Electric Power Commission of Ontario and is secured by bonds of the Commission in an equivalent amount, as described more fully in the comments concerning Assets in a subsequent section of this report.

Capital payments were made to the Hydro-Electric Power Commission of Ontario in the amount of \$6,143,716 to assist in rural electrification projects. This is a decrease of \$1,832,354 when compared with payments made in 1955-56.

Public Works and Buildings were added to during the year by the capital expenditure of \$28,696,743 and General Works and Improvements by the capital expenditure of \$1,672,902.

Sinking Fund instalments of \$40,729,000 were provided through ordinary account.

Contributions by the Province to the Teachers' Superannuation Fund and the Public Service Superannuation Fund amounted to \$5,685,733 and \$3,120,864 respectively in accordance with the requirements of the enactments relative hereto. In addition, a special payment of \$1,000,000 has been made to each Fund as a special contribution from the Province to reduce the amount by which the estimated actuarial liabilities exceed the assets of the respective funds.

These special contributions, which have been made for several years, are a valuable addition to the two Funds but should be regarded as an expedient only. At the time of the next actuarial valuation, arrangements should be made to fund over a period of years any deficit which may then be revealed.

The Legislature of Ontario has amended The Public Service Act so that, as of April 1, 1957, all employees and the Province will each contribute to the Fund at a rate of 6% per annum. The total receipts of the Public Service Superannuation Fund in any year should now be adequate to provide the superannuation benefits arising from the service credits earned in the same year.

The Legislature of Ontario has amended The Teachers' Superannuation Act so that the Province now matches the amounts contributed to the Teachers' Superannuation Fund. This action should place this Fund in a position where the total receipts in any year should now be adequate to provide the superannuation benefits arising from the service credits earned in the same year.

The amendments above noted give effect to the sound principle of financing pensions by making adequate provision for the pensions during the service lifetime of the contributors.

AUDIT OF REVENUE

The revenues of Departments have been examined in a systematic manner during the year in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures considered necessary. The systems of internal control and methods of accounting in operation were reviewed in all Departments visited. Comprehensive reports on the examinations were prepared and presented to the Ministers of the Departments concerned, and to officials of Boards and Commissions. The information obtained from these examinations enables me to form the opinion that a full accounting is being made of the revenues of the Province.

A continuous audit of the revenues of the Province is being maintained as in previous years.

The amounts of the various service and license fees levied by the Province are subject to continuous review by the Comptroller of Revenue, with a view to maintaining their adequacy in relation to the rising costs of administration.

AUDIT OF EXPENDITURE

In accordance with the requirements of The Audit Act, a continuous audit of the expenditures of the Province was maintained throughout the fiscal year ended March 31, 1957.

Under authority granted to the Auditor in section 11 of The Audit Act, certain vouchers were admitted as satisfactory after audit tests had been made and having regard to the character of the departmental examination.

A recent survey was made of the procedures followed in processing expenditure requisitions in the various departments and while in general the controls were found to be reasonably adequate, the standards and extent of the examination of expenditure claims varied considerably.

The economic expansion of Ontario and the unprecedented program for future development have a direct relationship to the volume of expenditures of the Province. It is evident that today's methods of processing and controlling expenditures will not be suitable for tomorrow. The necessity for determining the needs of the future and planning efficient methods to process accounts cannot be overstressed.

In the light of expanding government services and increasing expenditures I would recommend that the Treasury Department make a study of the current administrative and clerical processes in the various departments. The information obtained from such a study could be used to establish a clearly defined uniform policy and to help determine the most efficient work methods that can be applied in processing and controlling disbursements. It remains, however, the prime responsibility of the senior officers of the departments to ensure that the duties of the staff in processing accounts are clearly defined and executed without delay and that expenditure accounts are properly authorized and approved before being presented for payment.

I repeat my recommendation of last year that careful consideration and extensive study should be given to the growing importance and increasing use of electronic data processing equipment in business. Improvement in data processing machines is being made very rapidly and there is little doubt that the years ahead will bring further great technological advances.

The objective of such a study of the electronic control of data processing should be to determine the most efficient manner in which these versatile electronic devices can be applied to the operations of the government in order that the records of the future may be kept in a better, more economical manner than in the past.

It is not possible to remain static without falling behind in relation to other organizations and governing bodies. A dynamic policy should be adopted in order to improve our relative position in productivity of effort and work of personnel in all activities of the several departments.

Until 1943, in Ontario, the departments were largely used as the machinery of government to give effect to tasks imposed by legislation and Government on matters of policy. The departments were the operative agencies for carrying out the policies and decisions of Government and were each constituted not only to deal with the technical or specialized subject or groups of subjects, but also to provide and administer the actual services and institutions relating to those subjects. The department of health, for example, provided and administered hospitals for the mentally ill; the department of reform institutions provided and administered reform institutions to control the persons committed thereto. Boards and commissions, operating outside of the departments, were relatively few in number and consisted for the most part of The Hydro-Electric

Power Commission of Ontario; the Workmen's Compensation Board; the Liquor Control Board of Ontario; The Niagara Parks Commission and the Ontario Northland Transportation Commission. It can, therefore, be said that the general pattern, until near the end of the second world war, was that the actual administration of government business was largely carried out by departments.

In recent years a succession of legislative enactments has added the following boards and commissions to those above stated:

The Ontario Cancer Treatment and Research Foundation; Ontario Food Terminal Board; Ontario Stock Yards Board; Housing Corporation Limited; The Ontario Municipal Improvement Corporation; Ontario Racing Commission; The Ontario Junior Farmer Establishment Loan Corporation; Alcoholism Research Foundation; Ontario Fuel Board; Ontario Telephone Authority; Ontario Highway Transport Board; The Ontario-St. Lawrence Development Commission; The Ontario Telephone Development Corporation; Hospital Services Commission of Ontario; Ontario Parks Integration Board; Ontario Water Resources Commission.

Some of these boards and commissions have been attached to departments for purposes of administration and others have not.

The needs of the times have had to be met. Sheer volume of work and complexity of problems have imposed a great strain on existing resources of officers of experience in the departments. The demand for immediate action and the need for flexibility in manpower requirements are such that new tasks tend to create new boards and commissions.

In my opinion, a survey to assess the strength and weakness of the present machinery of government is needed. What is envisaged as a result is not a detailed organization chart for recasting the whole organization of government but such a survey would bring thought to bear upon the fundamental problems of government as a whole. Such a survey could be expected to report upon a reallocation of duties between departments themselves and between departments and boards and commissions based on the principle of the nature of the service rendered to the community. Other benefits from such a survey would be better organization for financial and administrative work and better arrangements for inter-departmental discussions.

BALANCE SHEET

The balance sheet of the Province does not include as an asset the value of Crown timber, mineral wealth and surface value of Crown lands, water power, fish, game and fur.

The balance sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

A condensed balance sheet now follows and shows the assets and liabilities of the Province of Ontario as at March 31, 1957.

PROVINCE OF ONTARIO
CONDENSED BALANCE SHEET
AS AT MARCH 31, 1957

ASSETS

Cash on hand and in banks.....	\$ 1,302,527
Temporary Investments.....	18,212,000
Loans and Advances.....	418,915,240
Government of Canada:	
Debt Account and Common School Fund.....	4,271,015
Buildings, Roads, etc.....	1,200,567,720
Liquor Control Board of Ontario—Investment.....	18,854,057
Other Loans and Advances.....	732,291
Discount on Debentures (less amount amortized).....	6,943,644
Accounts Receivable (less Reserve).....	13,447,431
Accrued Interest on bonds securing Advances.....	2,507,616
Interest Receivable (less Reserve).....	767,557
Equipment, Stores and Materials (less Reserve).....	7,863,125
	<u>\$1,694,384,223</u>

LIABILITIES

Funded Debt, less sinking funds—\$185,941,000.....	\$ 987,042,500
Unfunded Debt.....	209,664,969
Accounts Payable.....	2,203,475
Accrued Interest on Funded Debt.....	12,676,517
	<u>\$1,211,587,461</u>
Reserves.....	4,928,768
Surplus.....	477,867,994
	<u>\$1,694,384,223</u>
Contingent Liabilities:	
Bonds, etc., Guaranteed by the Province.....	<u>\$1,126,370,626</u>

I report hereunder on certain of the Assets and Liabilities as shown on the balance sheet of the Province as at March 31, 1957, as shown in the Public Accounts for 1956-57 on pages 6-7.

ASSETS

CASH ON HAND AND IN BANKS—\$1,302,527

Cash in Chartered Banks.....	\$ 482,609
Province of Ontario Savings Office.....	819,918
	<u>\$1,302,527</u>

The balances in chartered banks for the account of the Treasurer were verified by reconciliation with letters of confirmation received direct from the depositaries. It was also necessary to take into account a balance sheet adjustment made to segregate sinking fund monies on deposit with the Treasurer of Ontario from the other Provincial monies on deposit at March 31, 1957.

Cash on hand in the various branches of the Province of Ontario Savings Office was verified by reconciliation with letters of confirmation received direct from the responsible branch managers. The branches of the Savings Office were examined by Head Office inspectors at various unannounced times during the year.

TEMPORARY INVESTMENTS—\$18,212,000

Government of Canada Short Term Securities.....	\$12,620,000
The Ontario Junior Farmer Establishment Loan Corporation Debentures (guaranteed by Province of Ontario).....	5,592,000
	<u>\$18,212,000</u>

These investments are made as a means of making the most profitable use of funds which are temporarily surplus to normal requirements, and are made under authority of section 21 of The Financial Administration Act, 1954 and have been verified by actual count as at March 31, 1957.

LOANS AND ADVANCES—\$418,915,240

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
ADVANCES—SECURED BY BONDS—\$293,000,000

In accordance with the provisions of The Power Commission Act, as amended, debentures of the Province of Ontario were issued during the fiscal year ended March 31, 1957, in the amount of \$50,000,000 and the proceeds were advanced to the Hydro-Electric Power Commission of Ontario for the purposes of the Commission.

As security for the advance, the Commission delivered to the Province of Ontario bonds of the Hydro-Electric Power Commission of Ontario for the same principal amount and the same interest rate and terms as the related Province of Ontario debentures.

The balance of \$293,000,000 due from the Commission at March 31, 1957, is made up of a balance of \$243,000,000 brought forward from March 31, 1956, together with the advance in the current year of \$50,000,000.

A letter has been received direct from the Director of the Securities Branch of the Treasury Department stating that the related securities were held in safekeeping as at March 31, 1957.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
ADVANCES—UNSECURED—\$47,877,516

During the year ended March 31, 1957, the Commission repaid \$1,755,903 to the Province of Ontario on account of unsecured advances made under The Power Commission Act. Of the above repayment \$1,485,302 was for the account of the Southern Ontario System, and \$270,601 for Northern Ontario Properties. The money originally advanced by the Province for the construction of fixed assets represented a portion of the proceeds of certain Provincial debenture issues. As the debentures mature, the Province is repaid the portion originally advanced.

A schedule is here presented which shows the details of future repayments:

YEAR ENDED	SOUTHERN ONTARIO SYSTEM	NORTHERN ONTARIO PROPERTIES	TOTAL
March 31, 1958.....	\$ 1,334,997	\$ 232,729	\$ 1,567,726
1959.....	1,041,391	201,074	1,242,465
1960.....	12,215,141	2,538,561	14,753,702
1961.....	12,641,565	2,802,417	15,443,982
1962.....	1,179,236	228,018	1,407,254
1963.....	1,228,570	237,639	1,466,209
1964.....	1,280,836	247,876	1,528,712
1965.....	1,334,523	258,411	1,592,934
1966.....	1,390,288	269,382	1,659,670
1967.....	1,448,643	280,861	1,729,504
1968.....	1,169,088	245,701	1,414,789
1969.....	1,218,332	256,147	1,474,479
1970.....	835,175	237,685	1,072,860
1971.....	871,461	247,897	1,119,358
1972.....	295,003	108,869	403,872
	<u>\$39,484,249</u>	<u>\$8,393,267</u>	<u>\$47,877,516</u>

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,935

This amount relates to advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$6,333,939

The assets of Housing Corporation Limited have decreased by \$1,243,876 during the year. This is due mainly to repayment of mortgage loans principal in the amount of \$1,161,156 and the application of the related funds to the reduction of the outstanding bank loans of the Corporation. In the same period the Reserve for Mortgage Loans principal and interest was increased by \$8,824 to \$927,284.

As at March 31, 1957, there were 8045 loans in the course of repayment. This is a reduction of 907 loans from last year. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

The assets and liabilities of Housing Corporation Limited have been included with the other accounts on the balance sheet of the Province. The balance sheet of Housing Corporation Limited is also shown separately in the Public Accounts for 1956-57 on page 55.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION—INVESTMENTS—\$13,044,803

Under The Junior Farmer Establishment Act, 1952, the Province guaranteed the indebtedness of The Ontario Junior Farmer Establishment Loan Corporation which is a corporation created by the Province for the purpose of making loans to assist young qualified farmers in the establishment, development and operation of their farms.

During the year the assets of the Corporation have increased by \$3,674,072. This is due mainly to an increase of \$3,028,937 in mortgage loans principal. The extra funds required were obtained through the issue of debentures. In the same period the Reserve for Mortgage Loans principal and interest was increased by \$33,081 to \$315,961.

As of March 31, 1957, there were 1903 loans in the course of repayment. This is an increase of 435 loans compared with last year. No confirmation of outstanding loans was obtained from the borrowers concerned.

The assets and liabilities of The Ontario Junior Farmer Establishment Loan Corporation have been included with the other accounts on the balance sheet of the Province. The balance sheet of The Ontario Junior Farmer Establishment Loan Corporation is also shown separately in the Public Accounts for 1956-57 on page 57.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—
INVESTMENTS—\$13,972,537

Under The Ontario Municipal Improvement Corporation Act, the Province guaranteed the indebtedness of The Ontario Municipal Improvement Corporation, which is a corporation created by the Province for the purpose of purchasing from municipalities in Ontario the debentures issued by them for certain municipal works and undertakings. Debentures of Ontario municipalities, having a par value of \$13,825,098 are held by the Corporation and have a book value of \$13,734,160, which with accrued interest receivable of \$238,377 makes up the Province's investment of \$13,972,537.

The assets and liabilities of The Ontario Municipal Improvement Corporation have been included with the other accounts on the balance sheet of the Province. The balance sheet of The Ontario Municipal Improvement Corporation is also shown separately in the Public Accounts for 1956-57 on page 56.

A schedule of debentures of Ontario Municipalities held by the Corporation at March 31, 1957, is presented on pages 35-36 of this report.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—
INVESTMENTS—\$1,020,244

Agricultural Development Board—Debentures.....	\$ 925,000
The Farm Loans Act—Farm Loans Associations.....	36,748
—Capital Stock in Associations.....	2,148
Municipal Debentures—Village of West Lorne.....	56,351
	<u>\$1,020,244</u>

During the year the sum of \$780,136 was received on account of these investments.

THE HOUSING DEVELOPMENT ACT—
ADVANCES—\$6,113,034

During the year capital advances of \$1,573,927 were made under authority of the above Act in connection with certain joint housing projects which are controlled by the Government of Canada and the Province of Ontario acting in partnership to provide needed housing accommodation in this Province.

In the same period \$663,705 has been received and applied as a reduction of the above advances pending any subsequent adjustments which may become necessary upon the completion of the various projects.

THE ONTARIO TELEPHONE DEVELOPMENT CORPORATION—
ADVANCES—\$500,000

These advances have been provided to enable the Corporation to acquire, construct, operate, maintain, and sell telephone systems in rural areas in order to improve local telephone service.

THE ONTARIO-ST. LAWRENCE DEVELOPMENT COMMISSION—
ADVANCES—\$421,316

This Commission has been established to acquire and develop park lands in the public interest in the St. Lawrence River area of the Province.

MUNICIPALITIES, ETC.—\$6,423,916

Co-operative Loans.....	\$1,592,425
Drainage Debentures.....	2,423,397
Sandwich, Windsor and Amherstburg Railway Company—Bonds.....	1,050,000
City of Windsor—Municipal Debentures.....	1,353,833
Miscellaneous.....	4,261
	<u>\$6,423,916</u>

A net increase of \$464,911 took place in Co-operative Loans during the year. Loans in the amount of \$18,750, considered as doubtful of collection, were transferred to Other Loans and Advances. The Sandwich, Windsor and Amherstburg Railway met a maturity of \$50,000 during the year and the City of Windsor paid off \$116,373 of its debentures at the various due dates throughout the year. The total of Drainage Debentures outstanding increased by a net amount of \$343,898.

GOVERNMENT OF CANADA—\$4,271,015

Debt Account.....	\$2,848,290
Common School Fund.....	1,422,725
	<u>\$4,271,015</u>

Details of these two accounts have been given in previous reports. No changes have occurred during the year. In accordance with existing arrangements 5 per cent interest has been received during the year from the Government of Canada on the outstanding balances.

BUILDINGS, ROADS, ETC.—\$1,200,567,720

Roads and Highways.....	\$955,988,248	
Less—Capital Expenditure to October 31, 1927, written off	97,936,190	
		\$ 858,052,058
Rural Power Transmission Lines Bonus, 1927-57.....	\$102,948,373	
Less—Capital Expenditure to October 31, 1927 written off	1,100,000	
		101,848,373
Public Buildings, Public Works, etc.....		235,189,064
Niagara Parks Commission.....		5,478,225
		<u>\$1,200,567,720</u>

Net capital expenditures amounting to \$134,028,365 were made during the year on roads and highways. Included is an amount of \$58,127,300 expended through Highway Construction Account, \$900,003 spent on mining roads and \$166,337 spent on logging roads. The accumulated net capital expenditure to date on roads and highways amounts to \$955,988,248.

The highways built prior to 1927 have been either substantially replaced or reconstructed to such an extent that it is now considered that the cost of original construction should be written off. Accordingly the highway capital expenditure made prior to October 31, 1926, in the amount of \$86,942,889 has been written off in prior years and charged to Surplus, and in the current year a further amount of \$10,993,301, being highway capital expenditure for the fiscal year ended October 31, 1927, has been written off. These two amounts totalling \$97,936,190 when deducted from the total expenditure leave a net book value at March 31, 1957, of \$858,052,058.

The Rural Power Transmission Lines constructed prior to October 31, 1927, have since that date been substantially reconstructed or replaced and therefore it has been deemed advisable to write off Rural Power Transmission Bonuses paid prior to October 31, 1927, amounting to \$1,100,000. Accordingly, the total expenditure to March 31, 1957, amounting to \$102,948,373 has been reduced by \$1,100,000, leaving a net book value at March 31, 1957, of \$101,848,373.

Net increases were made to the value of Public Buildings, Public Works, etc., during the year in the amount of \$29,540,812. No depreciation has been accrued on these assets.

The Surplus account of the Niagara Parks Commission as at the close of its fiscal year, October 31, 1956, showed a balance of \$5,478,225, which is included in the accounts of the Province by authority of subsection 2, of section 14, of The Niagara Parks Act. This amount has been brought on the balance sheet by an adjustment through Surplus Account.

LIQUOR CONTROL BOARD OF ONTARIO—
INVESTMENT—\$18,854,057

This amount corresponds with the Appropriated Surplus of the Liquor Control Board as at March 31, 1957. It represents the amount retained by the Liquor Control Board for financing Accounts Receivable, Inventories, Prepaid Charges and Fixed Assets (less reserves). This asset has been brought on the balance sheet by an adjustment through surplus account.

OTHER LOANS AND ADVANCES—\$732,291

Co-operative Loans.....	\$130,750
Guaranteed Debentures and Interest Coupons, redeemed by Province.....	261,225
Home Bank (in Liquidation) Balance.....	213,000
Municipal Drainage Debentures.....	2,760
Promissory Notes Paid—Ottawa Separate Schools Commission.....	53,902
Settlers' Loans.....	67,982
Mothers' Allowances—Municipalities.....	1,530
Rural Power Districts—Domestic Loans.....	1,142
	<u>\$732,291</u>

This represents a segregation of Loans and Advances which are in arrears or in default.

During the year co-operative loans in the amount of \$149,622 were written off as uncollectable and doubtful loans amounting to \$18,750 were added to this account. Outstanding settlers' loans have been reduced by net receipts of \$4,457.

These assets are carried at book value as the ultimate realization value cannot be determined at this time.

DISCOUNT ON DEBENTURES (less amount amortized)—\$6,943,644

Discounts and premiums on Provincial Debenture issues are amortized in each case over the term of the related issue. The unamortized balances making up the above total are shown in detail in the Public Accounts of Ontario for 1956-57 on page 51.

ACCOUNTS RECEIVABLE (less Reserve)—\$13,447,431

This is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for doubtful accounts and includes \$4,108,735 representing the unappropriated surplus of the Liquor Control Board of Ontario in the amount of \$3,986,696 together with amounts currently owing to the Province of Ontario in the amount of \$122,039 as shown by the balance sheet of the Board as at March 31, 1957.

The accounts receivable were submitted by Departmental accountants. The reserves provided are considered adequate. This asset has been brought on the balance sheet by an adjustment through Surplus Account.

**ACCRUED INTEREST ON BONDS SECURING ADVANCES TO
HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—\$2,507,616**

The above amount represents interest accrued but not yet due at March 31, 1957. This asset has been brought on the balance sheet by an adjustment through Surplus Account. The principal amount of the bonds held is \$293,000,000 and is described more fully in a previous section of this report.

INTEREST RECEIVABLE (less Reserve)—\$767,557

There is owing to the Treasurer of Ontario \$2,967,557 for interest due and accrued on the debentures of the Agricultural Development Board. A reserve of \$2,200,000 is provided against the \$2,967,557 since a deficit of \$1,152,040 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectable. The reserve is considered to be adequate at the present time. This account has been brought on the balance sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS (less Reserve)—\$7,863,125

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued as in previous years on a basis not exceeding cost. This account has been brought on the balance sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$987,042,500

Stock and Debentures.....	\$1,172,083,500
Less—Sinking Funds.....	185,941,000
	<hr/>
	\$ 986,142,500
6% Bonds of the Sandwich, Windsor and Amherstburg Railway Company due July 1, 1961—Principal assumed by Province.....	900,000
	<hr/>
	<u>\$ 987,042,500</u>

The details of Stock and Debentures outstanding at March 31, 1957, are shown in the Public Accounts for 1956-57 on page 53.

The Sinking Funds amount to \$185,941,000 of which \$57,809,250 is on deposit with the Treasurer of Ontario. The securities held are shown on page 52 of the Public Accounts for 1956-57 and consist of issues of the Province of Ontario, the Hydro-Electric Power Commission of Ontario, the Ontario Northland Transportation Commission and the Government of Canada. These bonds have been verified by actual count. The funds on deposit have been verified from the records of the Treasurer of Ontario.

UNFUNDED DEBT—\$209,664,969

DEMAND DEPOSITS WITH THE PROVINCE
OF ONTARIO SAVINGS OFFICE—\$78,622,291

Current deposits of \$78,558,072 and unclaimed balances of \$64,219 comprise this amount. These accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to depositors is similar to the liability of a Chartered Bank in regard to savings deposits.

SPECIAL FUNDS—\$61,483,558

Details of the balances included in this total are shown on page 54 of the Public Accounts for 1956-57. The liability arises from the receipt of funds which are subject to future disbursement by the Province.

During the year Public Service Superannuation Fund funds on deposit increased by \$7,093,235 to a balance of \$47,307,011 at March 31, 1957.

The funds of the Public Service Retirement Fund increased by \$228,773, to a balance of \$1,026,437 at March 31, 1957.

The funds held for the redemption of vacation-with-pay stamps increased by \$2,248,508 to a balance of \$9,371,813 at March 31, 1957.

HOUSING CORPORATION LIMITED—Liabilities—\$5,406,645

The liabilities of Housing Corporation Limited consist mainly of a bank loan of \$5,400,000 secured by promissory notes guaranteed by the Province of Ontario. During the year this loan has been reduced by \$1,250,000.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT
LOAN CORPORATION—Liabilities—\$12,728,843

The liabilities of The Ontario Junior Farmer Establishment Loan Corporation consist mainly of a bank overdraft of \$164,480, bank loans of \$1,300,000, outstanding debentures \$11,000,000 and accrued interest on debentures of \$246,140. The above mentioned items are guaranteed by the Province of Ontario.

THE ONTARIO MUNICIPAL IMPROVEMENT
CORPORATION—Liabilities—\$13,584,263

The liabilities of The Ontario Municipal Improvement Corporation consist mainly of outstanding debentures \$12,550,000, a bank overdraft of \$689,368 and accrued debenture interest \$271,442, all guaranteed by the Province of Ontario.

HIGHWAY CONSTRUCTION ACCOUNT—\$37,500,000

This account was created under authority of section 21 of The Highway Improvement Amendment Act, 1952. During the fiscal year ended March 31, 1957, an amount of \$57,500,000 was appropriated for the account by the Legislature through Highways ordinary expenditure. The receipts and payments in this account are summarized below:

Balance, March 31, 1956.....	\$38,127,300
Fiscal year ended March 31, 1957:	
Receipts:	
Voted from Ordinary Expenditure.....	57,500,000
	<u>\$95,627,300</u>
Payments:	
Statutory Capital Payments.....	58,127,300
	<u>58,127,300</u>
Balance, March 31, 1957.....	<u>\$37,500,000</u>

MISCELLANEOUS—\$339,369

This amount is the unpaid balance of principal at March 31, 1957, of the mortgage which was assumed on February 1, 1955, in connection with the acquisition of a building at 125 Fleet Street East, Toronto, by the Department of Public Works. Under the conditions of the mortgage it will be possible to retire it in full in 1958.

ACCOUNTS PAYABLE—\$2,203,475

Of this total \$2,062,335 arises from timber deposits and other liabilities of the Department of Lands and Forests. The remaining \$141,140 represents the value of goods received and services rendered during the year which had not been paid for as at March 31, 1957, by the departments. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$12,676,517

Interest accrued, but not yet due at March 31, 1957, on debentures outstanding in the hands of the public, accounts for \$12,665,693 of the above total. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

RESERVES—\$4,928,768

There has been a net increase of \$96,664 in this account. The main items accounting for this were; a net increase in outstanding cheques of \$30,256, an amount of \$8,824 added to the Reserve for Mortgage Loans Principal and Interest of Housing Corporation Limited, \$29,084 added to the General Reserve of The Ontario Municipal Improvement Corporation and \$33,081 added to the Reserve for Mortgage Loans Principal and Interest of The Ontario Junior Farmer Establishment Loan Corporation.

SURPLUS—\$477,867,994

Surplus account has been increased during the year by a net amount of \$108,225,354. The principal items credited to Surplus account during the year were Surplus on Ordinary Account, \$1,804,551, Sinking Fund Instalments amounting to \$40,729,000, expenditure charged to Highway Construction Account during the fiscal year \$58,127,300, Corporations Tax Reserve Account \$17,533,011, a sundry item of \$596 and a net amount of \$2,273,819 relating to year-end adjustments of accounts receivable and payable, stores and materials and accrued interest.

During the fiscal year, Surplus account has been reduced by Highway capital expenditures for the fiscal year ended October 31, 1927, amounting to \$10,993,301 written off, Rural Power Transmission Lines Bonus to October 31, 1927, amounting to \$1,100,000 written off and Co-operative Loans deemed uncollectable in the amount of \$149,622 written off.

Details of the changes in Surplus account for the year are shown in the Public Accounts for 1956-57 on page 8.

CONTINGENT LIABILITIES—\$1,126,370,626

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Commissions, Railways, Schools, a Municipality and a University, etc., as shown on pages 61-64 of the Public Accounts for 1956-57 are in accordance with the authority granted in the governing statutes.

During the fiscal year contingent liabilities increased by a net amount of \$124,646,519. This is due mainly to a net increase of \$125,414,800 in issues of the Hydro-Electric Power Commission of Ontario, a net increase of \$190,335 in obligations of Co-operative Associations, a decrease of \$600,000 in an obligation of the Niagara Parks Commission, a net decrease of \$217,000 in the obligations of the Ontario Northland Railway, a decrease of \$100,000 in the bank loan of the Ontario Stock Yards Board and sundry other net decreases of \$41,616.

CHARTS AND STATEMENTS

Charts showing the trend in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ended March 31, 1957, are appended to this report on pages 30-31. The difference between Gross and Net Provincial Debt and Gross and Net Capital Debt is explained in my report for 1953-54 on page 30. Charts showing the trend in certain major items of net ordinary revenue and expenditure appear on pages 32-33 of this report.

The following statements for the fiscal year April 1, 1956, to March 31, 1957, are appended on pages 34-39.

Source and Application of Funds

Debentures of Ontario Municipalities held by The Ontario Municipal Improvement Corporation as at March 31, 1957

Comparative Statement of Net Interim and Actual Ordinary Revenue

Comparative Statement of Net Interim and Actual Ordinary Expenditure.

Comparative Summary of Net Interim and Actual Ordinary Revenue and Expenditure.

Comparative Statement of Net Interim and Actual Capital Receipts.

Comparative Statement of Net Interim and Actual Capital Payments.

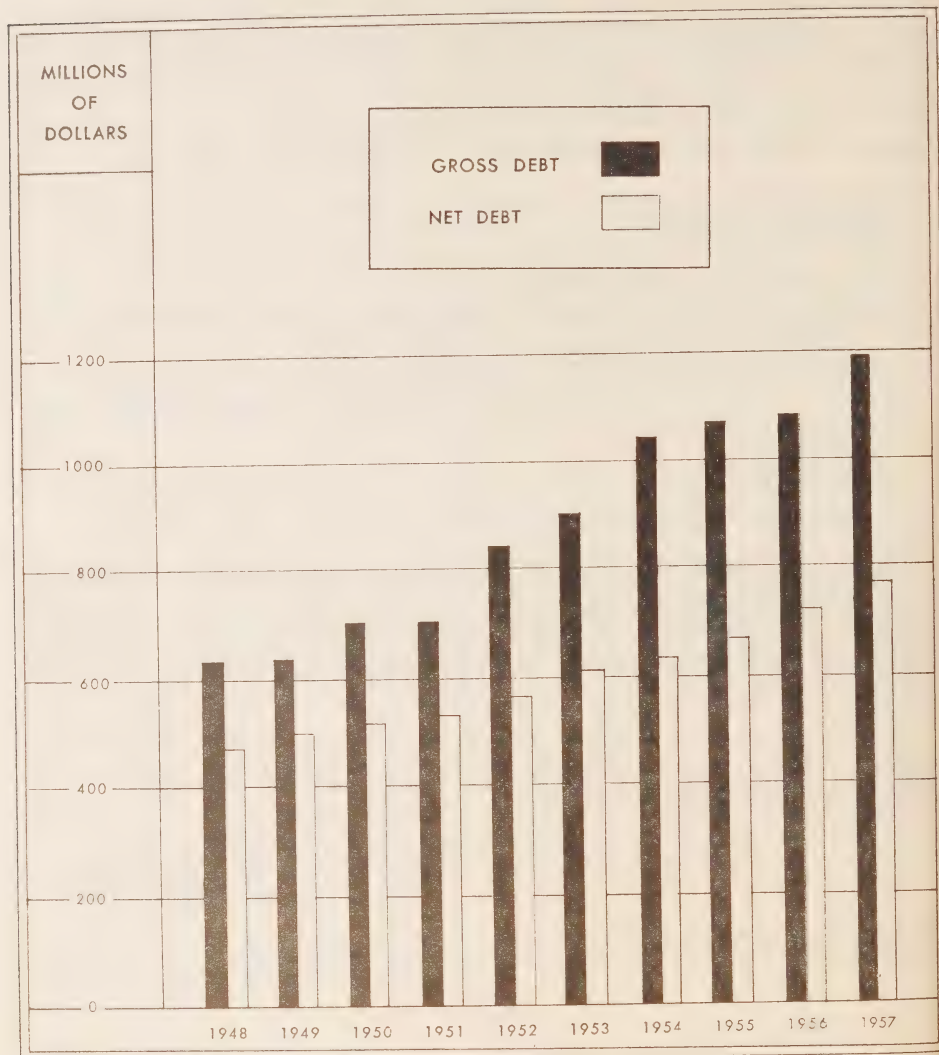
Statements showing details of Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1957, and Special Warrants issued during the fiscal year ended March 31, 1957, are submitted in separate sections immediately following the statements referred to above.

I wish to express my appreciation to the officials and staff of the various Departments, Boards and Commissions, for the co-operation extended to this office during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 28, 1957.

GROSS AND NET DEBT*
FOR THE TEN YEARS ENDED MARCH 31, 1957

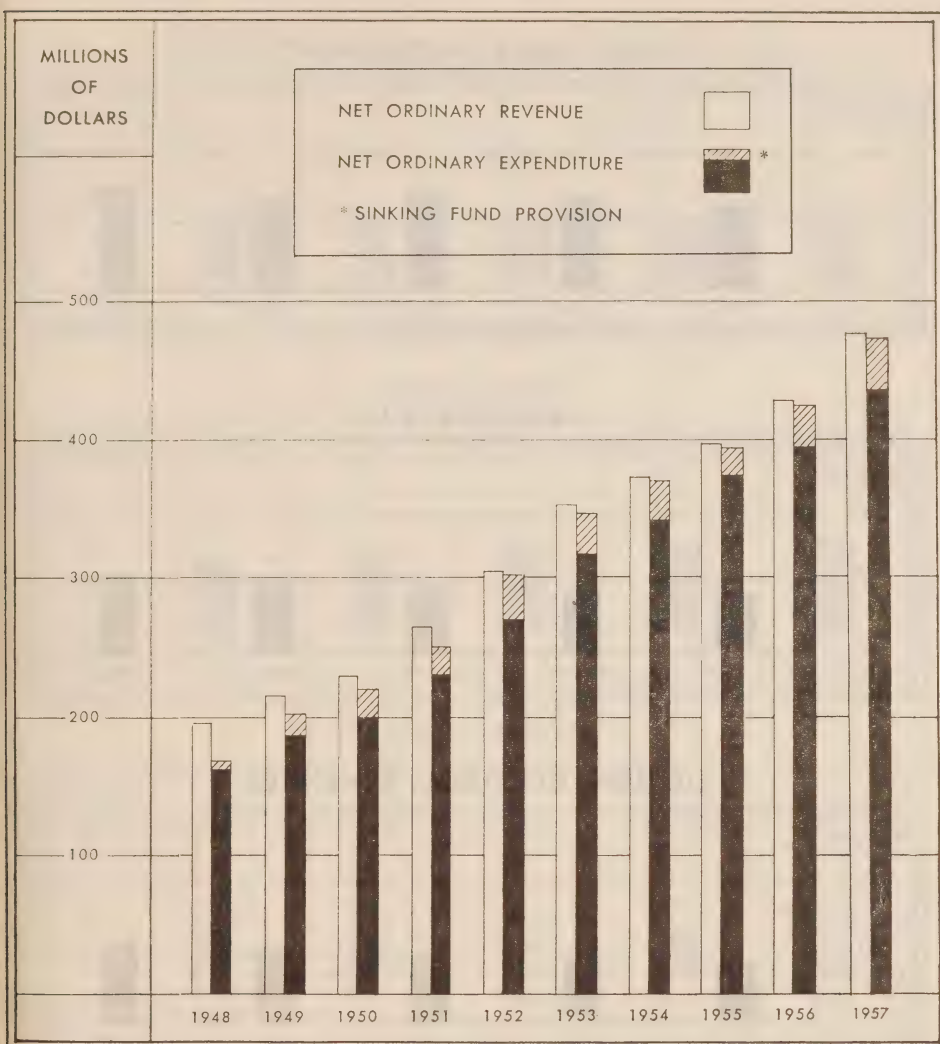


Gross and Net Debt per Public Accounts*

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1948	\$ 628,388,019	\$ 466,753,486
1949	628,662,860	483,675,155
1950	694,009,335	508,819,332
1951	697,963,424	521,550,164
1952	826,228,266	554,634,804
1953	884,231,206	604,832,094
1954	1,035,484,085	629,995,642
1955	1,066,160,741	660,725,169
1956	1,072,409,119	705,306,145
1957	1,196,707,469	758,277,702

*Gross and Net Provincial Debt, 1948-1952.
 Gross and Net Capital Debt, 1953-1957.

NET ORDINARY REVENUE AND EXPENDITURE FOR THE TEN YEARS ENDED MARCH 31, 1957

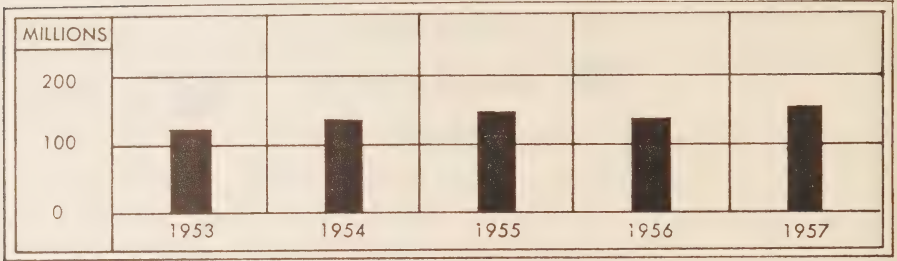


YEAR ENDED MARCH 31	NET ORDINARY REVENUE	NET ORDINARY EXPENDITURE	*SINKING FUND PROVISION
1948	\$ 191,698,952	\$ 166,070,200	\$ 5,481,000
1949	215,469,614	206,256,361	15,550,000
1950	228,550,022	219,893,374	20,622,000
1951	265,272,107	249,788,424	21,698,000
1952	302,320,999	301,259,560	34,276,000
1953	349,500,385	348,399,514	30,859,000
1954	372,973,316	372,040,302	29,945,000
1955	399,393,284	399,249,638	21,536,000
1956	427,969,363	425,464,481	32,630,000
1957	479,783,191	477,978,640	40,729,000

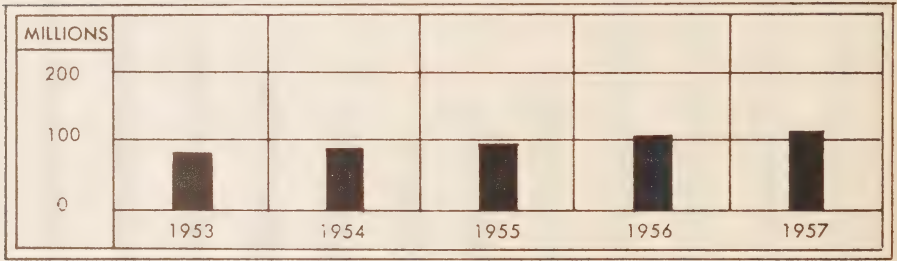
*Included in Net Ordinary Expenditure.

MAJOR ITEMS OF NET ORDINARY REVENUE
COMPARED FOR THE FIVE YEARS ENDED MARCH 31, 1957

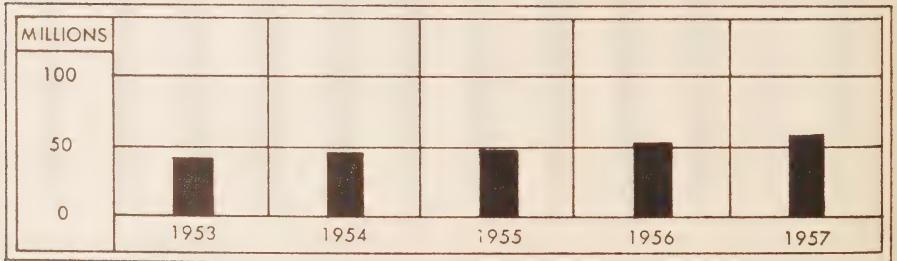
TAX RENTAL AGREEMENT



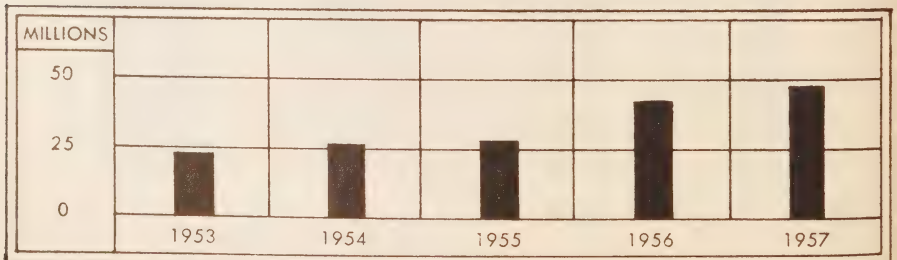
GASOLINE TAX



LIQUOR CONTROL REVENUES

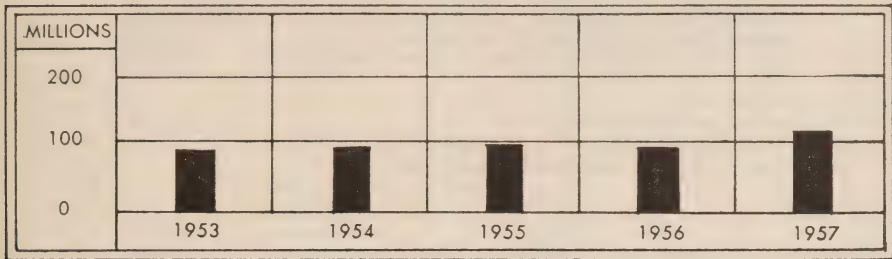


MOTOR VEHICLE LICENSES AND FEES, Etc.

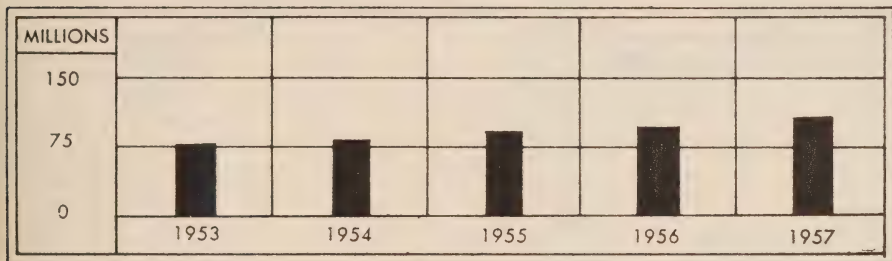


**MAJOR ITEMS OF NET ORDINARY EXPENDITURE
COMPARED FOR THE FIVE YEARS ENDED MARCH 31, 1957**

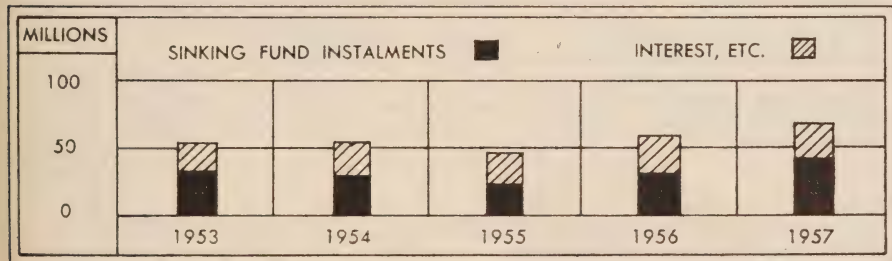
HIGHWAYS, MAINTENANCE, GRANTS, Etc. *



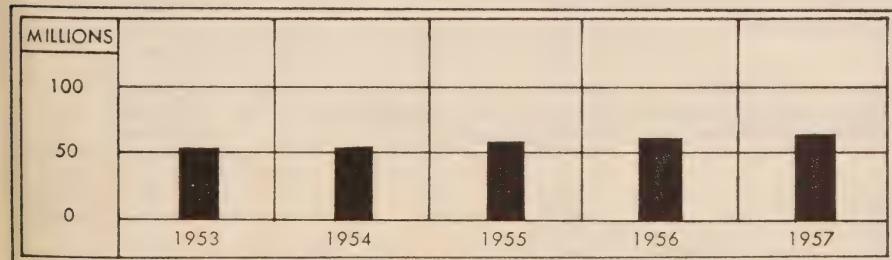
EDUCATION



PUBLIC DEBT



HEALTH SERVICES



*Includes Appropriation to Highway Construction Account.

**STATEMENT SHOWING SOURCE AND APPLICATION OF FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 1957**

SOURCE OF FUNDS—

Excess of Ordinary Revenue over Ordinary Expenditure.....		\$ 1,804,551	
Add: Items not requiring an outlay of funds:			
Sinking Fund Instalments.....	\$ 40,729,000		
Appropriation to Highway Construction Account....	57,500,000		
Discount on Debentures written off or assumed.....	1,436,908		
			99,665,908
Increase in Liabilities:			
Debentures Issued (Net of Discount).....	\$169,027,600		
Special Funds Deposits (net)—			
Public Service Superannuation and Retirement Funds.....	\$7,322,009		
Other.....	3,723,506		
		11,045,515	
Bequests, Scholarships and Outstanding Cheques (net).....		25,675	
Collections of Corporations Tax Arrears credited to Reserve Account.....		383,166	
			180,481,956
Decrease in Assets:			
Sinking Fund Investments Matured.....	\$ 5,738,000		
Loans and Advances Repaid.....	3,791,625		
Sale of Capital Assets and Recoveries.....	2,022,745		
Other.....	2,126		
			11,554,496
			<u>\$293,506,911</u>

APPLICATION OF FUNDS—

Investment in Physical Assets:

Highways.....	\$134,211,033		
Mining Roads.....	900,003		
Logging Roads.....	166,337		
		\$135,277,373	
Public Works and Buildings.....	\$ 28,696,743		
Storage Dams and Docks, etc.....	521,976		
		29,218,719	
Rural Power Transmission Lines.....		6,143,716	
Conservation Projects.....		1,148,963	
Miscellaneous.....		23,561	
			\$171,812,332

Increase in Other Assets:

Uninvested Funds of Sinking Funds.....	\$ 15,773,500		
Sinking Fund Investments Purchased.....	23,089,500		
Loans and Advances—			
Hydro-Electric Power Commission of Ontario	\$ 50,000,000		
Other.....	3,492,657		
		53,492,657	
Temporary Investments (net).....		18,212,000	
Bank Balance.....		1,728,984	
			112,296,641

Decrease in Liabilities:

Demand Deposits with Province of Ontario Savings Office (net)	\$ 1,793,938		
Debentures Retired through Sinking Funds.....	7,604,000		
			9,397,938
			<u>\$293,506,911</u>

**DEBENTURES OF ONTARIO MUNICIPALITIES HELD BY THE ONTARIO
MUNICIPAL IMPROVEMENT CORPORATION AS AT MARCH 31, 1957**

MUNICIPALITY	PURPOSE	PAR VALUE
Anderdon and Sandwich West, Townships of—Board of Trustees of Roman Catholic Union Separate School . . .	Schools	\$ 29,000
Atikokan, Township of	Water, Sewers and Schools	295,500
Atwood, Township of	Schools	58,400
Bancroft, Village of	Schools	107,000
Bertie, Township of	Water	106,000
Black River, Township of	Water and Sewers	83,100
Blenheim, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21	Schools	47,000
Blind River, Town of—Board of Trustees of Roman Catholic Separate School	Schools	160,000
Bracebridge, Town of	Water	73,000
Bronte, Village of	Water	184,000
Burlington-Nelson, Board of Management Inter-Urban Area of	Water	251,000
Calvert, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4	Schools	160,000
Cartier, (Unorganized) Township of—Board of Trustees of Public School Section No. 1	Schools	3,800
Chapleau, Township of	Sewers	251,000
Cobden, Village of	Water and Sewers	63,400
Cochrane, Town of	Sewers	89,000
Crystal Beach, Village of	Water and Sewers	150,700
Dryden, Town of	Water	43,100
Elmvale, Village of	Water	2,800
Etobicoke, Township of	Water and Sewers	1,037,000
Fort Frances, Town of	Water and Sewers	23,400
Gloucester, Township of	School	172,000
Grantham, Township of	Water	48,000
Gwillimbury North, Township of	Schools	70,000
Hawkesbury, Town of	Water and Sewers	65,800
Hearst, Town of	Water and Sewers	43,000
Hensall, Village of	Schools	112,500
Houghton, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9	Schools	43,800
Innisfil, Township of—Board of Trustees of Roman Catholic Separate School Section No. 12	Schools	79,000
Madoc, Village of	Water and Sewers	14,000
Markham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1	School	80,000
Marmora, Village of	School	90,000
Matheson, Town of	Water	5,300
Mattawa, Town of	Water and Sewers	150,400
McKim, Township of	Water and Sewers	518,600
Moore, Township of—Board of Trustees Roman Catholic Separate School Section No. 5	Schools	15,000
Morrisburg, Village of	Sewers	4,700
Neelon and Garson, Township of	Water and Schools	497,995
New Liskeard, Town of	Water and Sewers	11,000
Niagara, Township of	Sewers	27,500
Nipigon, Township of	Water	9,400
Oakville, Town of	Water	379,200
Parry Sound, Town of	Water and Sewers	9,800
Pembroke, Township of	Schools	37,000
Petawawa, Township of	Schools	40,000
Pickering, Township of	Schools	60,000
Pickering, Village of	Schools	110,000
Port Credit, Village of	Water	220,000
Port Dalhousie, Town of—Board of Trustees Roman Catholic Separate School	Schools	58,200
Port McNicoll, Village of	Water	13,700
Powassan, Town of	Water and Sewers	199,900
Red Rock, Improvement District of	Water and Sewers	30,600
Riverside, Town of	Water and Sewers	75,895
Riverside, Town of—Board of Trustees Roman Catholic Separate Schools	Schools	120,000

**DEBENTURES OF ONTARIO MUNICIPALITIES HELD BY THE ONTARIO
MUNICIPAL IMPROVEMENT CORPORATION AS AT MARCH 31, 1957**

MUNICIPALITY	PURPOSE	PAR VALUE
Rockland, Town of	Water	\$ 31,800
Sandwich East, Township of	Water, Sewers and Schools	326,505
Sandwich East, Township of—Board of Trustees Roman Catholic Separate School Section No. 1	Schools	80,000
Sandwich West, Township of	Water, Sewers and Schools	590,205
Sandwich West, Township of—Board of Trustees Roman Catholic Union Separate School Sections No. 2, 3, 4, 7 and 9	Schools	214,000
Schreiber, Township of	Water	29,000
Sioux Lookout, Town of	Water and Sewers	205,400
Slaght, (Unorganized) Township of—Board of Trustees Public School Section No. 1, Umfreville	Schools	10,500
South River, Village of	Water	92,000
Stamford, Township of	Water	411,000
Sudbury, City of	Water and Sewers	151,700
St. Clair Beach, Village of	Water and Schools	27,400
Sturgeon Falls, Town of	Water and Sewers	108,300
Tarentorus, Township of	Water and Sewers	187,400
Tay, Township of	Water	76,000
Teck, Township of	Water	73,400
Tecumseh, Town of	Sewers	12,300
Thessalon, Town of	Water and Sewers	20,000
Timmins, Town of	Sewers	63,500
Tisdale, Township of	Water and Sewers	361,730
Toronto, Township of	Water	669,000
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7	Schools	80,000
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 18	Schools	150,000
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 13	Schools	75,700
Westminster, Township of	Sewers	12,000
West Ferris, Township of	Water	47,500
Whitney, Township of	Sewers	35,500
Widdifield, Township of	Water	50,400
Windsor, City of	Water	1,400,000
Windsor, City of—Board of Trustees of Roman Catholic Separate Schools	Schools	400,000
North York, Township of	Water and Sewers	1,202,368
		<u>\$13,825,098</u>

COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY REVENUE FOR THE FISCAL YEAR APRIL 1, 1956, TO MARCH 31, 1957

	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 1,093,000	\$ 1,216,095	\$ 123,095	\$
Attorney-General.....	4,877,000	5,202,762	325,762	
Economics.....		462	462	
Education.....	1,402,000	1,391,893		10,107
Health.....	4,209,000	4,357,874	148,874	
Highways:				
Main Office.....	425,000	505,552	80,552	
Motor Vehicles Branch.....	45,000,000	49,101,106	4,101,106	
Total for Highways.....	\$ 45,425,000	\$ 49,606,658	\$ 4,181,658	
Insurance.....	\$ 438,000	\$ 503,673	\$ 65,673	\$
Labour.....	653,000	714,680	61,680	
Lands and Forests.....	20,537,000	20,881,874	344,874	
Mines.....	8,559,000	9,425,098	866,098	
Municipal Affairs.....	355,000	363,192	8,192	
Planning and Development.....		6,122	6,122	
Prime Minister.....		19	19	
Provincial Secretary.....	2,073,000	2,086,056	13,056	
Public Welfare.....		2,600	2,600	
Public Works.....	202,000	220,445	18,445	
Reform Institutions.....	635,000	658,906	23,906	
Travel and Publicity.....	27,000	24,325		2,675
Treasury:				
Main Office—				
Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....		15,387	15,387	
Ontario Racing Commission.....	71,000	71,388	388	
Ontario Fuel Board.....	99,000	93,726		5,274
Liquor Control Board—				
Profits.....	54,000,000	56,100,000	2,100,000	
Transfer Fees.....	562,000	493,688		68,312
Public Utilities Tax.....	1,500,000	1,428,408		71,592
Comptroller of Revenue—				
Tax Rental Agreement.....	160,572,000	160,558,129		13,871
Gasoline Tax.....	107,000,000	112,970,087	5,970,087	
Succession Duty.....	25,000,000	29,160,840	4,160,840	
Security Transfer Tax.....	3 700,000	3,502,601		197,399
Race Tracks Tax.....	4,294,000	4,294,269	269	
Hospitals Tax.....	4,500,000	4,614,580	114,580	
Logging Tax.....	835,000	860,857	25,857	
Land Transfer Tax.....	3,900,000	3,691,332		208,668
Law Stamps.....	1,200,000	1,287,955	87,955	
Miscellaneous.....		2,220	2,220	
Theatres Branch.....	261,000	260,758		242
Total for Treasury.....	\$371,206,000	\$383,118,301	\$12,477,719	\$ 565,418
Stationery Account.....		\$ 2,156	\$ 2,156	
	<u>\$461,691,000</u>	<u>\$479,783,191</u>	<u>\$18,670,391</u>	<u>\$ 578,200</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1956, TO MARCH 31, 1957**

	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL OVER INTERIM INCREASE	DECREASE
Agriculture.....	\$ 10,924,000	\$ 10,651,398	\$	\$ 272,602
Attorney-General.....	15,040,000	14,953,908		86,092
Economics.....	205,000	198,383		6,617
Education.....	107,719,000	107,395,641		323,359
Health.....	63,694,000	62,500,398		1,193,602
Highways:				
Maintenance and Administration..	68,003,000	64,781,971		3,221,029
Appropriation to Highway Con- struction Account.....	57,500,000	57,500,000		
Insurance.....	282,000	275,131		6,869
Labour.....	2,075,000	2,023,912		51,088
Lands and Forests.....	16,081,000	16,037,678		43,322
Lieutenant-Governor.....	19,000	18,850		150
Mines.....	1,329,000	1,256,470		72,530
Municipal Affairs.....	16,404,000	16,496,704	92,704	
Planning and Development.....	3,218,000	2,969,880		248,120
Prime Minister.....	141,000	137,902		3,098
Provincial Auditor.....	341,000	332,610		8,390
Provincial Secretary.....	2,332,000	2,320,332		11,668
Public Welfare.....	29,404,000	29,303,482		100,518
Public Works.....	7,187,000	6,788,107		398,893
Reform Institutions.....	7,541,000	7,209,082		331,918
Travel and Publicity.....	1,031,000	1,025,009		5,991
Treasury.....	6,654,000	6,797,078	143,078	
Stationery Account.....	35,000			35,000
	<u>\$417,159,000</u>	<u>\$410,973,926</u>	<u>\$ 235,782</u>	<u>\$6,420,856</u>
Public Debt—				
Interest, Exchange, etc.....	26,413,000	26,275,714		137,286
Sinking Fund Instalments.....	17,729,000	40,729,000	23,000,000	
	<u>\$461,301,000</u>	<u>\$477,978,640</u>	<u>\$23,235,782</u>	<u>\$6,558,142</u>

*9 months' actual—3 months' forecast.

COMPARATIVE SUMMARY

**NET INTERIM* AND ACTUAL ORDINARY REVENUE AND ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1956, TO MARCH 31, 1957**

	INTERIM	ACTUAL	ACTUAL OVER INTERIM
Net Ordinary Revenue.....	\$461,691,000	\$479,783,191	\$18,092,191
Less : Net Ordinary Expenditure (before pro- viding for Sinking Funds).....	443,572,000	437,249,640	6,322,360
Surplus (before providing for Sinking Funds).....	\$ 18,119,000	\$ 42,533,551	\$24,414,551
Less : Provision for Sinking Funds.....	17,729,000	40,729,000	23,000,000
Surplus.....	<u>\$ 390,000</u>	<u>\$ 1,804,551</u>	<u>\$ 1,414,551</u>

*9 months' actual—3 months' forecast.

COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1956, TO MARCH 31, 1957

	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Highways.....	\$ 3,210,000	\$ 3,414,088	\$ 204,088	
Labour.....	11,000,000	12,725,185	1,725,185	
Lands and Forests.....	312,000	384,701	72,701	
Mines.....	120,000	228,426	108,426	
Planning and Development.....	690,000	755,233	65,233	
Provincial Secretary.....	10,840,000	11,322,541	482,541	
Public Welfare.....		1,067	1,067	
Public Works.....	92,000	116,896	24,896	
Treasury.....	80,678,000	104,983,076	24,305,076	
	<u>\$106,942,000</u>	<u>\$133,931,213</u>	<u>\$26,989,213</u>	

*9 months' actual—3 months' forecast.

COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL PAYMENTS FOR THE FISCAL YEAR APRIL 1, 1956, TO MARCH 31, 1957

	NET INTERIM CAPITAL PAYMENTS	NET ACTUAL CAPITAL PAYMENTS	ACTUAL OVER INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 700,000	\$ 832,064	\$ 132,064	\$
Highways.....	135,865,000	136,068,580	203,580	
Labour.....	10,500,000	10,476,378		23,622
Lands and Forests.....	382,000	187,935		194,065
Mines.....	1,100,000	900,003		199,997
Municipal Affairs.....	7,000,000	6,143,716		856,284
Planning and Development.....	4,214,000	3,146,633		1,067,367
Provincial Secretary.....	3,700,000	4,000,533	300,533	
Public Welfare.....		48	48	
Public Works.....	31,564,000	29,218,719		2,345,281
Treasury.....	51,201,000	51,326,362	125,362	
	<u>\$246,226,000</u>	<u>\$242,300,971</u>	<u>\$ 761,587</u>	<u>\$4,686,616</u>

9 months' actual—3 months' forecast.

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE
AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS,
DURING THE FISCAL YEAR ENDED MARCH 31, 1957

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Agriculture		
	Main Office:		
Feb. 4, 1957	Salaries.....	500.00	.....
Feb. 4, 1957	Removal Expenses of Officials.....	1,000.00	629.70
Feb. 4, 1957	Workmen's Compensation Board—Awards and Costs.....	3,000.00	1,732.60
	Agricultural and Horticultural Societies Branch:		
Feb. 4, 1957	Judges' Services, Travelling and Other Expenses..	400.00	221.71
Feb. 4, 1957	Agricultural and Horticultural Meetings, etc.....	450.00	434.08
Feb. 4, 1957	Field Crop Competitions, etc.....	350.00	341.08
Feb. 4, 1957	Grants under The Community Centres Act.....	65,000.00	64,521.75
	Dairy Branch:		
	Milk Products Board of Ontario:		
Feb. 4, 1957	Dairy Instruction and Inspection.....	4,500.00	.....
	Extension Branch:		
	Agricultural Representative Service:		
Feb. 4, 1957	Salaries.....	3,500.00	2,794.84
	County and District Offices:		
	Agricultural Representative Work, Services, Expenses and Equipment:		
Feb. 4, 1957	Order.....\$18,000.00		
Mar. 27, 1957	Order.....10,000.00		
		28,000.00	27,913.69
Feb. 4, 1957	Northern Ontario, Services and Expenses re Agricultural Work, etc.....	12,000.00	.....
	Home Economics Service:		
Feb. 4, 1957	Travelling Expenses.....	3,000.00	1,819.27
	Field Crops Branch:		
Feb. 4, 1957	Administration of The Weed Control Act, The Seed Potatoes Act, Improvement Work, etc....	7,000.00	3,658.73
	Fruit Branch:		
July 24, 1956	Administration, etc., of The Plant Diseases Act and The Farm Products Grades and Sales Act, etc.....	22,000.00	.....
	Live Stock Branch:		
Feb. 4, 1957	Salaries.....	17,000.00	11,395.96
Feb. 4, 1957	Travelling Expenses.....	6,000.00	5,893.11
Feb. 4, 1957	Maintenance.....	1,500.00	1,459.56
Feb. 4, 1957	Educational and Demonstration Work, etc.....	10,000.00	9,379.42
Feb. 4, 1957	Services and Expenses re Administration of The Stallions Act, etc.....	1,000.00	815.76
Feb. 14, 1957	Grants.....	10,000.00	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Agriculture—Continued		
Feb. 4, 1957	Demonstration Farm, New Liskeard: Salaries.....	1,200.00	1,195.33
Feb. 4, 1957	Horticultural Experiment Station, Vineland: Salaries:		
Mar. 27, 1957	Order..... \$2,000.00		
	Order..... 1,000.00	3,000.00	2,661.31
Feb. 4, 1957	Kemptville Agricultural School: Salaries.....	3,400.00	1,685.88
Feb. 4, 1957	Ontario Agricultural College, Guelph: Salaries:		
Mar. 27, 1957	Order..... \$84,000.00		
	Order..... 2,400.00	86,400.00	86,373.27
Feb. 4, 1957	Expenses.....	19,000.00	18,988.30
Feb. 4, 1957	Ontario Veterinary College, Guelph: Salaries.....	23,400.00	20,118.37
Feb. 4, 1957	Apparatus, Telephone Service, Maintenance, etc..	2,300.00	2,255.82
Feb. 4, 1957	Research, Investigation and Extension Work, etc.	1,400.00	1,398.95
Feb. 4, 1957	Kemptville Unit.....	600.00	597.30
Feb. 4, 1957	Ridgetown Unit.....	300.00	298.87
Feb. 4, 1957	Disease Prevention: Experimental Disease Station (Farm).....	200.00	199.02
		337,400.00	268,783.68
	Department of Attorney-General		
Mar. 7, 1957	Main Office: Maintenance.....	4,000.00	3,791.93
Mar. 13, 1957	Crown Counsel Prosecutions.....	12,000.00	11,844.12
July 10, 1956	Commissions and Sundry Investigations.....	6,000.00	4,894.75
Sept. 18, 1956	Law Revision Committee Expenses.....	4,000.00	2,627.65
Mar. 7, 1957	Supreme Court of Ontario: Judges' Staff: Salaries.....	1,000.00	262.77
Mar. 7, 1957	Master's Office: Salaries.....	3,000.00	2,752.05
Mar. 13, 1957	Registrar's Office: Salaries.....	500.00	109.75
Mar. 7, 1957	Master of Titles Office: Salaries.....	2,000.00	1,188.60
Mar. 7, 1957	Fire Marshal's Office: Maintenance.....	2,000.00	663.60
Jun. 23, 1957	Inspector of Legal Offices: Inspector's Office: Maintenance.....	5,000.00	5,000.00
Mar. 7, 1957	Local Masters of Titles and Registrars of Deeds: Salaries.....	4,000.00	2,295.56
Mar. 7, 1957	Sheriffs, et al: Salaries.....	18,000.00	14,753.21
Mar. 7, 1957	Judicial Offices in Districts: Maintenance.....	3,000.00	2,918.00

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Attorney-General—Continued		
	Ontario Provincial Police:		
Mar. 7, 1957	Salaries.....	150,000.00	145,803.34
Mar. 7, 1957	Travelling Expenses.....	150,000.00	149,060.67
Mar. 7, 1957	Maintenance.....	75,000.00	74,991.33
Mar. 7, 1957	Ontario Police College.....	5,000.00	4,933.71
	Ontario Securities Commission:		
Mar. 7, 1957	Services, Expenses, Valuations, etc.....	3,000.00	1,771.85
		447,500.00	429,662.89
	Department of Economics		
Mar. 13, 1957	Fees and Expenses for Special Studies and Research..	1,000.00	350.00
	Department of Education		
	Main Office and General Departmental Expenses:		
	General Departmental Expenses:		
	Moving Expenses of Departmental Officials:		
Nov. 6, 1956	Order.....	\$2,500.00	
Feb. 14, 1957	Order.....	1,500.00	
		4,000.00	3,481.83
	Elementary Education Branch:		
Feb. 14, 1957	Salaries.....	3,000.00	1,606.95
	Secondary Education Branch:		
Mar. 7, 1957	Travelling and Office Expenses.....	5,000.00	3,590.63
	Professional Training Branch:		
Feb. 14, 1957	Salaries.....	1,500.00	1,255.20
	Teachers' Colleges:		
Feb. 14, 1957	Maintenance.....	17,500.00	6,688.61
	Special Services:		
	Physical and Health Education, etc.:		
Jan. 9, 1957	Travelling Expenses.....	1,500.00	1,468.52
	Departmental Examinations:		
Nov. 20, 1956	Departmental Examinations.....	11,000.00	10,794.62
	Public Libraries Branch:		
Feb. 14, 1957	Salaries.....	300.00	284.94
	Ontario School for the Blind, Brantford:		
Feb. 14, 1957	Salaries.....	2,000.00	1,917.71
	Ontario School for the Deaf, Belleville:		
Feb. 14, 1957	Salaries.....	11,000.00	7,720.03
	Scholarships, Bursaries, etc.:		
Sept. 11, 1956	Provincial and Dominion-Provincial Bursaries, etc.	50,000.00	.....
	Legislative Grants, etc.:		
July 3, 1956	Public Libraries.....	10,500.00	10,467.49
July 24, 1956	Physical Fitness and Recreation.....	9,000.00	6,261.32

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Education—Continued		
	Grants to Provincial and Other Universities:		
	Special Grants for Archaeological Research:		
May 8, 1956	Order.....	\$1,500.00	
June 26, 1956	Order.....	5,000.00	
		6,500.00	2,500.00
		132,800.00	58,037.85
	Department of Health		
	Main Office:		
Mar. 7, 1957	Maintenance.....	7,000.00	6,992.02
Mar. 7, 1957	Workmen's Compensation Board—Awards and Costs re Tuberculosis contracted by an Employee of a Hospital, etc.....	55,000.00	54,518.27
	Health Units Branch:		
Mar. 7, 1957	Travelling Expenses.....	300.00	173.99
	Special Health Services authorized by the Minister, etc.:		
Mar. 7, 1957	Order.....	\$50,000.00	
Mar. 27, 1957	Order.....	45,500.00	
		95,500.00	95,496.29
	Dental Service Branch:		
Mar. 7, 1957	Salaries.....	600.00	364.86
	Tuberculosis Prevention Branch:		
	Tuberculosis Prevention Clinics:		
Mar. 27, 1957	Maintenance.....	400.00	393.84
	Industrial Hygiene Branch:		
Mar. 27, 1957	Travelling Expenses.....	4,000.00	3,865.73
	Laboratory Branch:		
Mar. 7, 1957	Salaries.....	60,000.00	47,220.65
	Public and Private Hospitals Branch:		
Mar. 27, 1957	Travelling and Incidental Expenses for the Removal and Escort of Indigent Patients, etc.....	3,000.00	2,311.47
	Mental Health Branch:		
	General Expenses:		
Mar. 7, 1957	Workmen's Compensation Board—Awards and Costs.....	6,000.00	5,686.98
	Ontario Hospitals:		
Mar. 7, 1957	Salaries.....	213,500.00	142,170.29
		445,300.00	359,194.39
	Department of Highways		
	Main Office:		
Mar. 7, 1957	Unemployment Insurance Stamps.....	22,000.00	18,604.86
	Maintenance—King's Highways and Other Roads:		
Mar. 7, 1957	King's Highways and Development Roads (The Highway Improvement Act, Secs. 73, 78 and 83)	477,000.00	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Highways—Continued		
April 9, 1957	Motor Vehicles Branch:		
	Salaries.....	12,000.00	9,387.26
Oct. 9, 1956	Grant:		
	Ontario Safety League.....	7,500.00	7,500.00
		518,500.00	35,492.12
	Department of Insurance		
Feb. 27, 1957	Maintenance.....	10,000.00	9,973.39
	Department of Labour		
	Main Office:		
Feb. 4, 1957	Salaries.....	20,000.00	19,789.99
June 12, 1956	General Stores, Purchase of Stationery, etc.....	8,000.00	7,989.63
Feb. 4, 1957	Conciliation Boards (Commissioners, etc.).....	15,000.00	14,942.63
Feb. 4, 1957	Advertising, Investigations, etc.....	2,000.00	
Feb. 4, 1957	Apprenticeship Branch:		
	Maintenance.....	2,000.00	1,992.99
Feb. 4, 1957	Boiler Inspection Branch:		
	Salaries.....	9,000.00	8,309.88
Feb. 4, 1957	Travelling Expenses.....	4,000.00	3,967.82
	Board of Examiners of Operating Engineers:		
Feb. 4, 1957	Salaries:		
April 3, 1957	Order.....\$3,000.00		
	Order.....500.00		
		3,500.00	3,116.55
Feb. 27, 1957	Maintenance.....	3,000.00	1,766.68
Feb. 4, 1957	Minimum Wage Branch:		
	Salaries.....	500.00	344.54
Feb. 4, 1957	Labour Relations Board:		
	Salaries.....	16,500.00	15,108.62
Feb. 4, 1957	Per Diem Allowance (Board Members).....	3,000.00	1,575.00
Feb. 4, 1957	Maintenance.....	3,500.00	3,494.85
Aug. 28, 1956	Office of Athletics Commissioner:		
	Assistance to Amateur Sport.....	8,000.00	7,977.57
		98,000.00	90,376.75
	Department of Lands and Forests		
	Main Office:		
Feb. 20, 1957	Salaries.....	45,000.00	6,828.36
April 16, 1957	Travelling Expenses.....	2,000.00	1,885.19
Feb. 20, 1957	Workmen's Compensation Board—Awards and Costs.....	5,000.00	4,878.51
Mar. 27, 1957	Annuities and Bonuses to Indians under Treaty No. 9.....	1,360.00	1,360.00
Sept. 11, 1956	Unemployment Insurance Stamps.....	33,000.00	20,111.53

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Lands and Forests—Continued		
	Field Services:		
	Basic Organization—District Offices (including Provincial Parks, etc.):		
Feb. 4, 1957	Maintenance and Operating:		
Feb. 20, 1957	Order.....\$200,000.00		
	Order.....500,000.00		
		700,000.00	699,086.72
	Extra Fire Fighting:		
	Salaries, etc., Maintenance and Operating:		
Sept. 11, 1956	Order.....\$200,000.00		
Oct. 23, 1956	Order.....300,000.00		
		500,000.00	400,192.17
	Public Information and Education re Fire Prevention, Fish and Wildlife, Reforestation and Timber Management:		
April 16, 1957	Salaries, etc., Maintenance and Operating.....	15,000.00	14,766.69
	Air Service Branch:		
Feb. 20, 1957	Salaries.....	35,000.00	3,469.49
		1,336,360.00	1,152,578.66
	Department of Mines		
	Main Office:		
Feb. 27, 1957	Salaries.....	4,000.00	1,796.51
	Mines Inspection Branch:		
Feb. 27, 1957	Salaries.....	3,000.00	2,059.02
	Mining Lands Branch:		
Feb. 27, 1957	Maintenance.....	8,000.00	4,460.62
		15,000.00	8,316.15
	Department of Planning and Development		
	Main Office:		
	Salaries:		
Oct. 23, 1956	Order.....\$13,400.00		
Feb. 27, 1957	Order.....3,500.00		
		16,900.00	16,083.20
Oct. 23, 1956	Travelling Expenses.....	3,700.00	2,561.38
	Maintenance:		
July 31, 1956	Order.....\$6,000.00		
Oct. 23, 1956	Order.....6,700.00		
		12,700.00	12,605.99
	Civil Defence Branch:		
Feb. 27, 1957	Administrative Expenses to include Grants, Salaries, Travelling Expenses, Equipment, Maintenance and Contingencies.....	4,500.00	.....
	Conservation Branch:		
Feb. 27, 1957	Salaries.....	3,000.00	866.62
	Trade and Industry Branch:		
Oct. 23, 1956	Maintenance.....	3,000.00	2,737.67
		43,800.00	34,854.86

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Provincial Secretary		
	Main Office:		
	Salaries:		
Feb. 4, 1957	Order.....	\$6,000.00	
Mar. 27, 1957	Order.....	1,000.00	
		7,000.00	6,718.87
Nov. 13, 1956	Travelling Expenses.....	500.00	431.20
Oct. 17, 1956	Maintenance.....	32,000.00	31,897.96
	Office of the Speaker:		
Oct. 17, 1956	Salaries.....	9,000.00	8,019.78
Oct. 17, 1956	Maintenance.....	1,000.00	418.41
Oct. 17, 1956	Allowance to Mr. Speaker in lieu of Contingencies	2,000.00	2,000.00
	Clerk of the Legislative Assembly and Chief Election Officer:		
Feb. 4, 1957	Salaries.....	5,000.00	2,261.77
	Maintenance:		
Oct. 17, 1956	Order.....	\$3,000.00	
Feb. 20, 1957	Order.....	500.00	
		3,500.00	3,482.76
Nov. 13, 1956	Queen's Printer: Ontario Gazette.....	16,000.00	11,895.30
	Sessional Requirements:		
Feb. 20, 1957	Clerks of Committees, Sergeant-at-Arms, Messengers, Pages, Sessional Writers, etc.....	7,000.00	4,670.65
Oct. 17, 1956	Indemnities and Allowances to Members, including Mileage.....	188,000.00	184,225.79
Feb. 4, 1957	Stationery including Printing Paper, etc.....	20,000.00	19,198.71
Feb. 4, 1957	Hansard—Reporting, Printing, etc.:		
April 16, 1957	Order.....	\$15,000.00	
	Order.....	10,000.00	
		25,000.00	17,620.75
	Committee Fees, etc.:		
May 8, 1956	Order.....	\$50,000.00	
Jan. 9, 1957	Order.....	25,000.00	
		75,000.00	63,936.42
Feb. 20, 1957	Miscellaneous Requirements: Government Hospitality Fund.....	5,000.00	3,628.64
	Civil Service Commission:		
Feb. 4, 1957	Salaries.....	12,500.00	11,448.35
Feb. 4, 1957	Maintenance.....	5,000.00	4,986.53
Feb. 4, 1957	Public Service Superannuation Fund: Administrative Charges.....	5,000.00	4,971.47
		418,500.00	381,813.36
	Department of Public Welfare		
	Main Office:		
Feb. 4, 1957	Salaries.....	2,500.00	
Dec. 4, 1956	Travelling Expenses.....	6,300.00	6,230.61
Mar. 13, 1957	Workmen's Compensation Board—Awards and Costs.....	500.00	226.48
Nov. 6, 1956	Grant, Canadian Welfare Council.....	8,549.00	8,549.00
April 16, 1957	Child Welfare Branch: Services, Expenses, Grants, etc., under The Child Welfare Act, 1954.....	40,000.00	27,375.62

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Welfare—Continued		
Dec. 18, 1956	Day Nurseries Branch: Maintenance.....	500.00	99.05
Feb. 4, 1957	Mothers' Allowances Branch: Salaries.....	3,800.00	1,213.50
Feb. 14, 1957	Allowances.....	103,000.00	95,224.75
Mar. 7, 1957	Homes for the Aged Branch: Grants: Refuges—Aid for Maintenance.....	5,500.00	5,145.40
Feb. 4, 1957	Disabled Persons' Allowances Branch: Salaries.....	5,000.00	4,358.93
		175,649.00	148,423.34
	Department of Public Works		
Feb. 14, 1957	Main Office: Maintenance.....	20,000.00	19,899.83
Feb. 14, 1957	Workmen's Compensation Board — Awards and Costs.....	7,000.00	6,414.22
Feb. 14, 1957	Unemployment Insurance Stamps.....	8,000.00	3,975.19
Feb. 14, 1957	Public Buildings—Maintenance and Repairs: Legislative and Departmental Buildings: Maintenance.....	15,000.00	8,418.69
Feb. 14, 1957	Repairs to Buildings.....	25,000.00	167.16
Feb. 14, 1957	Osgoode Hall and Ontario Government Office Building, Queen and York Streets: Maintenance.....	10,000.00	.....
Dec. 4, 1956	Miscellaneous: To provide for Expenses arising from Unforeseen Circumstances or for which no provision has been made.....	350,000.00	127,936.37
		435,000.00	166,811.46
	Department of Reform Institutions		
Mar. 13, 1957	Main Office: Workmen's Compensation Board — Awards and Costs.....	3,000.00	1,752.86
Mar. 13, 1957	Board of Parole: Allowance and Expenses for Parole Board.....	500.00	79.08
		3,500.00	1,831.94
	Department of Travel and Publicity		
Dec. 4, 1956	Division of Publicity: Publications, Publicity and Promotion.....	45,000.00	44,885.73
Dec. 4, 1956	Information Branch: Salaries.....	3,000.00	1,826.26

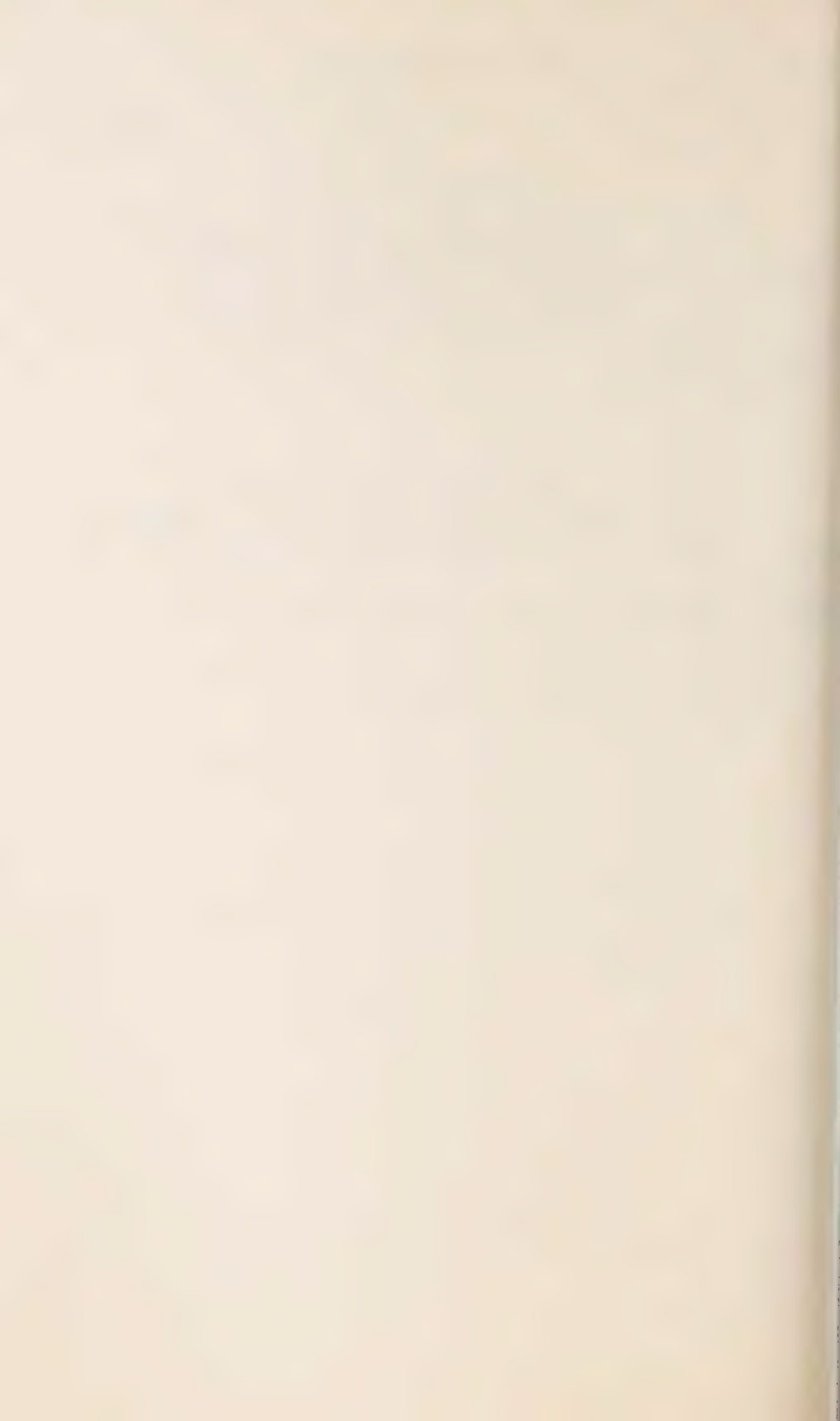
DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Travel and Publicity		
	—Continued		
	Photography Branch:		
Dec. 4, 1956	Salaries.....	4,000.00	3,059.58
Dec. 4, 1956	Travelling Expenses.....	2,000.00	1,455.93
		54,000.00	51,227.50
	Treasury Department		
	Main Office:		
Feb. 4, 1957	Salaries.....	5,000.00	3,634.27
April 25, 1957	Maintenance.....	3,000.00	2,171.39
May 22, 1956	Historical Sites, Monuments, Celebrations, etc...	10,000.00	7,200.00
Jan. 16, 1957	Grant—Canadian Thoroughbred Horse Society...	7,000.00	6,623.50
	Comptroller of Revenue:		
Feb. 4, 1957	Salaries.....	100,000.00	38,454.72
Oct. 17, 1956	Travelling Expenses.....	15,000.00	5,850.92
April 16, 1957	Legal Fees, Valuations, etc.....	6,500.00	6,163.40
	Ontario Racing Commission:		
April 16, 1957	Travelling Expenses.....	500.00	254.56
		147,000.00	70,352.76
	Total Ordinary Treasury Board Orders.....	4,619,309.00	3,268,081.10
	CAPITAL		
	Department of Agriculture		
	Main Office:		
Feb. 4, 1957	Loans in accordance with The Co-operative Loans Act.....	200,000.00	132,064.00
	Department of Highways		
	Construction and Other Capital Projects:		
Mar. 7, 1957	Kings Highways and Development Roads (The Highway Improvement Act—Sections 73, 78, 83 and 100).....	4,572,700.00	3,848,016.51
	Department of Labour		
	Industry and Labour Board:		
	Payment of Claims re Vacation-with-Pay Stamps:		
Sept. 4, 1956	Order.....	\$500,000.00	
Oct. 9, 1956	Order.....	350,000.00	
Feb. 4, 1957	Order.....	100,000.00	
April 3, 1957	Order.....	50,000.00	
		1,000,000.00	976,377.57
	Department of Mines		
	Main Office:		
April 9, 1957	Construction of Mining and Access Roads.....	100,000.00	
	Total Capital Treasury Board Orders.....	5,872,700.00	4,956,458.08
	Total Treasury Board Orders.....	10,492,009.00	8,224,539.18

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR
ENDED MARCH 31, 1957

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Mines		
Dec. 6, 1956	Settlement of Claims against the Crown for Expenses incurred in the Staking, Recording and Exploring of certain Mining Claims which were disallowed..	1,400.50	1,400.50
	Department of Municipal Affairs		
June 14, 1956	Surveying and Designing a Townsite in the Red Lake Area.....	15,000.00	15,000.00
Nov. 15, 1956 } Mar. 28, 1957 }	Assistance towards reducing the cost suffered as a result of Tornadoes in the Counties of Essex, Bruce and Huron.....	25,000.00	18,579.58
		40,000.00	33,579.58
	Department of Planning and Development		
Nov. 29, 1956	Special Grant to the Canadian Hungarian Relief Fund.....	25,000.00	25,000.00
	Services and Expenses in connection with Hungarian Refugee Immigration Programme:		
Dec. 6, 1956	Warrant.....\$100,000.00		
Jan. 17, 1957	Warrant.....550,000.00	650,000.00	524,381.16
		675,000.00	549,381.16
	Department of Prime Minister		
Dec. 6, 1956	Special Grant to the Springhill Disaster Relief Fund, Nova Scotia.....	10,000.00	10,000.00
Jan. 3, 1957	Canteen Supplies for Her Majesty's Forces stationed in Ontario and Overseas.....	14,000.00	13,209.50
		24,000.00	23,209.50

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Welfare		
July 11, 1956	Grant to assist Mennonite Central Committee, 10 Union Street East, Waterloo, Ontario, with the Renovation of the Institution known as Ailsa Craig Boys' Farm located at Ailsa Craig, Ontario	13,964.72	13,964.72
Dec. 20, 1956	Grant to assist the Children's Aid Society of the City and County of Peterborough with the purchase of a building purchased by it for use as an administrative building.....	7,500.00	7,500.00
		21,464.72	21,464.72
	Department of Reform Institutions		
Jan. 17, 1957	Purchase of eight \$1000.00, Province of Ontario Bonds maturing in 1974, to provide an annuity for Sydney John Wort, London, Ontario.....	8,000.00	7,661.10
Mar. 14, 1957			
	Total Special Warrants.....	769,865.22	636,696.56



Ontario. Provincial Auditor's Office

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PROVINCIAL AUDITOR'S REPORT

1957-58

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO



TORONTO

PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

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1959

TO THE HONOURABLE JOHN KEILLER MACKAY, D.S.O., V.D., LL.D.,
Lieutenant-Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1958, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
Toronto, November 20, 1958.

REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1958, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1957 - 1958

I have the honour to report to the Legislative Assembly on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1958, in accordance with the requirements of The Audit Act.

The Balance Sheet of the Province of Ontario as at March 31, 1958, the Statements of Revenue and Expenditure for the year ended on that date, and other related statements published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion, and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1958, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been used as in previous years, and the Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1958, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1957-58

The Honourable Dana Porter, Q.C., LL.D., as Treasurer of Ontario, in his address to the Legislative Assembly of Ontario on February 21, 1957, presented budget forecasts of ordinary revenue and expenditure, and of capital receipts and disbursements for the fiscal year ended March 31, 1958, and the Honourable Leslie M. Frost, Q.C., LL.D., D.C.L., as Treasurer of Ontario, in his budget address on February 26, 1958, presented interim statements of ordinary revenue and expenditure and of capital receipts and disbursements for the same fiscal year, consisting of nine months' actual results and three months' forecast.

The statements which follow compare the budget forecasts with the actual results for the fiscal year ended March 31, 1958. Comparative summaries of the interim statements (nine months' actual and three months' forecast) and the actual results are appended to this report together with certain other statements and charts presenting information on the financial operations of the Province as detailed on pages 28-29 of this report.

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1957, TO MARCH 31, 1958**

DEPARTMENT	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 1,111,000	\$ 1,279,542	\$ 168,542	\$
Attorney-General.....	5,086,000	5,997,492	911,492	
Economics.....		3,046	3,046	
Education.....	1,500,000	925,818		574,182
Health.....	4,353,000	4,637,768	284,768	
Highways.....	400,000	534,922	134,922	
Insurance.....	438,000	429,821		8,179
Labour.....	612,000	726,593	114,593	
Lands and Forests.....	22,630,000	22,189,712		440,288
Mines.....	17,806,000	11,177,033		6,628,967
Municipal Affairs.....	272,000	318,870	46,870	
Planning and Development.....		106,249	106,249	
Prime Minister.....		34	34	
Provincial Secretary.....	2,081,000	1,933,594		147,406
Public Welfare.....		25,096	25,096	
Public Works.....	192,000	252,879	60,879	
Reform Institutions.....	619,000	707,075	88,075	
Transport.....	47,260,000	52,641,979	5,381,979	
Travel and Publicity.....	26,000	26,080	80	
Treasury:				
Main Office—Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....		8,226	8,226	
Ontario Racing Commission.....	87,000	88,492	1,492	
Liquor Control Board—				
Profits, etc.....	65,000,000	66,000,000	1,000,000	
Transfer Fees.....	600,000	672,601	72,601	
Public Utilities Tax.....	1,000,000	1,333,166	333,166	
Comptroller of Revenue—				
Income Tax Rental Agreement	63,000,000	74,379,000	11,379,000	
Corporations Tax.....	160,000,000	148,015,496		11,984,504
Gasoline Tax.....	131,000,000	138,532,259	7,532,259	
Motor Vehicle Fuel Tax.....	3,000,000	4,728,806	1,728,806	
Hospitals Tax.....	4,200,000	4,509,402	309,402	
Succession Duty.....	23,000,000	31,980,270	8,980,270	
Race Tracks Tax.....	4,500,000	4,642,836	142,836	
Security Transfer Tax.....	4,000,000	2,631,481		1,368,519
Land Transfer Tax.....	3,600,000	3,413,192		186,808
Law Stamps.....	1,000,000	1,358,160	358,160	
Logging Tax.....	2,000,000	1,663,180		336,820
Miscellaneous.....		2,259	2,259	
Theatres Branch.....	270,000	264,587		5,413
Total for Treasury.....	<u>\$469,969,000</u>	<u>\$487,935,489</u>	<u>\$31,848,613</u>	<u>\$13,882,124</u>
	<u>\$574,355,000</u>	<u>\$591,849,092</u>	<u>\$39,175,238</u>	<u>\$21,681,146</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1957, TO MARCH 31, 1958**

DEPARTMENT	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 12,445,000	\$ 12,335,550	\$	\$ 109,450
Attorney-General.....	17,214,000	17,332,913	118,913	
Economics.....	257,000	232,940		24,060
Education.....	139,511,000	141,659,812	2,148,812	
Health.....	60,246,000	65,965,085	5,719,085	
Highways:				
Maintenance and Administration	71,172,000	64,425,985		6,746,015
Appropriation to Highway Con- struction Account.....	20,000,000	57,500,000	37,500,000	
Insurance.....	311,000	327,437	16,437	
Labour.....	2,325,000	2,348,888	23,888	
Lands and Forests.....	19,688,000	18,733,583		954,417
Lieutenant-Governor.....	20,000	19,615		385
Mines.....	1,777,000	1,570,701		206,299
Municipal Affairs.....	25,047,000	24,967,655		79,345
Planning and Development.....	3,210,000	2,499,202		710,798
Prime Minister.....	132,000	135,127	3,127	
Provincial Auditor.....	390,000	371,203		18,797
Provincial Secretary.....	2,454,000	2,468,904	14,904	
Public Welfare.....	34,522,000	36,143,215	1,621,215	
Public Works.....	10,268,000	9,096,776		1,171,224
Reform Institutions.....	9,254,000	9,379,320	125,320	
Transport.....	2,571,000	2,810,060	239,060	
Travel and Publicity.....	1,185,000	1,219,155	34,155	
Treasury.....	7,115,000	9,318,588	2,203,588	
Stationery Account.....		162,469	162,469	
	<u>\$441,114,000</u>	<u>\$481,024,183</u>	<u>\$49,930,973</u>	<u>\$10,020,790</u>
Public Debt:				
Interest, Exchange, etc.....	32,352,000	29,125,879		3,226,121
Provision for Sinking Funds....	17,833,000	17,833,000		
Total Budget.....	<u>\$491,299,000</u>	<u>\$527,983,062</u>	<u>\$49,930,973</u>	<u>\$13,246,911</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	82,500,000	63,000,000		19,500,000
	<u>\$573,799,000</u>	<u>\$590,983,062</u>	<u>\$49,930,973</u>	<u>\$32,746,911</u>

**COMPARATIVE SUMMARY
BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1957, TO MARCH 31, 1958**

	BUDGET	ACTUAL	ACTUAL TO BUDGET
Net Ordinary Revenue.....	<u>\$574,355,000</u>	<u>\$591,849,092</u>	<u>\$17,494,092</u>
Less: Net Ordinary Expenditure (before items below).....	<u>\$473,466,000</u>	<u>\$510,150,062</u>	<u>\$36,684,062</u>
Provision for Sinking Funds.....	17,833,000	17,833,000	
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	82,500,000	63,000,000	19,500,000
Net Ordinary Expenditure.....	<u>\$573,799,000</u>	<u>\$590,983,062</u>	<u>\$17,184,062</u>
Surplus.....	<u>\$ 556,000</u>	<u>\$ 866,030</u>	<u>\$ 310,030</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1957, TO MARCH 31, 1958**

DEPARTMENT	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Highways:				
Sale of Property	\$ 750,000	\$ 741,965	\$	\$ 8,035
Contract Security Deposits		8,954	8,954	
Other		11,544	11,544	
Labour:				
Vacation-with-Pay Stamps	10,500,000	13,656,778	3,156,778	
Other		1,500	1,500	
Lands and Forests:				
Land Sales	400,000	358,427		41,573
Other		132,291	132,291	
Mines:				
Mining Land Sales	100,000	166,087	66,087	
Planning and Development:				
The Housing Development Act—				
Recovery of Advances, etc.	710,000	864,253	154,253	
Community Planning—				
Recovery of Advances	105,000			105,000
Other		10	10	
Provincial Secretary:				
Public Service Superannuation Fund	12,200,000	15,828,823	3,628,823	
Public Service Retirement Fund	1,000,000	1,025,048	25,048	
Public Welfare:				
Old Age Assistance Branch, etc.		48	48	
Public Works:				
Sale of Property		71,915	71,915	
Transport:				
Unsatisfied Judgment Fund:				
Fees, etc.	2,200,000	2,901,573	701,573	
Treasury:				
Appropriations from Ordinary Account:				
Highway Construction				
Account	20,000,000	57,500,000	37,500,000	
Provision for Sinking Funds	17,833,000	17,833,000		
Loans and Advances—				
Sundry Loans and Advances	2,690,500	12,924,138	10,233,638	
Accountable Funds—contra	4,000,000			4,000,000
Special Funds	383,500	1,126,342	742,842	
Premium and Discount on				
Debentures	750,000	949,579	199,579	
Other		14,804	14,804	
	<u>\$73,622,000</u>	<u>\$126,117,079</u>	<u>\$56,649,687</u>	<u>\$4,154,600</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL
DISBURSEMENTS FOR THE FISCAL YEAR APRIL 1, 1957, TO MARCH 31, 1958**

DEPARTMENT	BUDGET	NET ACTUAL	ACTUAL TO BUDGET	
	CAPITAL Dis- BURSEMENTS	CAPITAL Dis- BURSEMENTS	INCREASE	DECREASE
Agriculture:				
Co-operative Loans.....	\$ 750,000	\$ 709,190	\$	\$ 40,810
Revolving fund for The Ontario Telephone Development Cor- poration.....	200,000	152,000		48,000
Highways:				
Highway Construction.....	64,234,000	54,759,863		9,474,137
Highway Construction charged to Highway Construction Account.	57,500,000	57,500,000		
Development and Other Roads...	6,700,000	5,886,070		813,930
Municipal Subsidies.....	30,000,000	30,188,767	188,767	
Contingencies.....	35,000	4,259		30,741
Labour:				
Vacation-with-Pay Stamps.....	10,500,000	13,517,016	3,017,016	
Lands and Forests:				
Logging Roads.....	300,000	280,550		19,450
Mines:				
Mining and Access Roads.....	1,000,000	1,247,334	247,334	
Municipal Affairs:				
Assistance for Rural Power Trans- mission Lines.....	8,700,000	7,359,099		1,340,901
Improvement Districts—Advances, and Purchase of Debentures....		1,585,820	1,585,820	
Planning and Development:				
The Housing Development Act...	5,900,000	4,889,826		1,010,174
Conservation.....	4,175,000	1,172,752		3,002,248
Community Planning.....	500,000	7,976		492,024
The Ontario-St. Lawrence Develop- ment Commission.....	3,000,000	1,688,824		1,311,176
Provincial Secretary:				
Public Service Superannuation Fund.....	3,800,000	3,499,862		300,138
Public Service Retirement Fund..	550,000	1,037,254	487,254	
Public Welfare:				
Old Age Assistance Branch, etc...		6,457	6,457	
Public Works:				
Purchase of Property and Con- struction of Buildings.....	45,000,000	41,789,189		3,210,811
Dams, Docks and Drainage Works	670,000	650,000		20,000
Ontario Water Resources Com- mission.....	15,000,000	1,722,032		13,277,968
Other.....	220,000	77,918		142,082
Transport:				
Unsatisfied Judgment Fund— Judgments, etc.....	2,200,000	1,774,984		425,016
Treasury:				
Accountable Funds—contra.....	4,000,000			4,000,000
Registry Office Surplus Fees....	150,000	344,309	194,309	
Guaranteed Debentures S.W. & A. Rly.....	148,500	176,332	27,832	
Tile Drainage Debentures.....	500,500	700,400	199,900	
Loan (The Northern Ontario Pipe Line Act).....	35,000,000			35,000,000
The Ontario Municipal Improve- ment Corporation—Advances..		11,700,000	11,700,000	
Other.....	150,000	118,677		31,323
	<u>\$300,883,000</u>	<u>\$244,546,760</u>	<u>\$17,654,689</u>	<u>\$73,990,929</u>
Less: Financed out of Ordinary Revenue.....	82,500,000	63,000,000		19,500,000
	<u>\$218,383,000</u>	<u>\$181,546,760</u>	<u>\$17,654,689</u>	<u>\$54,490,929</u>

Estimated gross expenditure for the year shown on page 5 of the 1958 Estimates was \$819,855,000. This amount does not include Supplementary Estimates of \$57,382,000 voted by the Legislature at the 1958 session. Taking the Supplementary Estimates into account, the total Estimates for the year amounted to \$877,237,000. The actual gross expenditure was \$804,566,710, a net decrease of \$72,670,290.

In the Budget Statement presented by the Provincial Treasurer on February 21, 1957, as shown in the Summary of Operations on page 53, it was provided that \$141,250,000 of Capital Disbursements, less \$58,750,000 of Capital Receipts, being a net amount of \$82,500,000 would be financed out of Ordinary Revenue. The actual net revenue of the Province for the fiscal year ended March 31, 1958, permitted \$63,000,000 to be applied for this purpose, a decrease of \$19,500,000 from the forecast amount of \$82,500,000.

The following analysis summarizes the net decrease in gross actual from total estimated gross expenditure.

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1958**

CLASSIFICATION	TOTAL ESTIMATES	GROSS ACTUAL	GROSS ACTUAL UNDER ESTIMATES	GROSS ACTUAL OVER ESTIMATES
Ordinary—				
Voted—				
Main Estimates.....	\$403,981,500			
Supplementary.....	55,622,000			
	<u>\$459,603,500</u>	\$439,167,934	\$20,435,566	
Statutory.....	106,985,500	109,192,415		\$2,206,915
Special Warrants.....		2,519,905		2,519,905
Capital Disbursements financed out of Ordinary Revenue....	82,500,000	63,000,000	19,500,000	
	<u>\$649,089,000</u>	<u>\$613,880,254</u>	<u>\$39,935,566</u>	<u>\$4,726,820</u>
Capital—				
Voted—				
Main Estimates.....	\$194,289,000			
Supplementary.....	1,760,000			
	<u>\$196,049,000</u>	\$164,585,713	\$31,463,287	
Statutory.....	114,599,000	89,100,743	25,498,257	
	<u>\$310,648,000</u>	<u>\$253,686,456</u>	<u>\$56,961,544</u>	
Deduct—				
Capital Disbursements financed out of Ordinary Revenue....	82,500,000	63,000,000	19,500,000	
	<u>\$228,148,000</u>	<u>\$190,686,456</u>	<u>\$37,461,544</u>	
	<u>\$877,237,000</u>	<u>\$804,566,710</u>	<u>\$77,397,110</u>	<u>\$4,726,820</u>

**Summary of Net Decreases or Increases in Gross Actual as compared
with Total Estimates of Gross Expenditure**

CLASSIFICATION	DECREASE	INCREASE
Voted.....	\$51,898,853	
Statutory.....	23,291,342	
Special Warrants.....		\$2,519,905
	<u>\$75,190,195</u>	<u>\$2,519,905</u>

The net decreases or increases in gross actual as compared with total estimates of gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED

For the year under review, the Legislative Assembly authorized expenditure appropriations in the amount of \$655,652,500, comprising \$459,603,500 ordinary account and \$196,049,000 capital account. Actual gross expenditure charged to appropriations amounted to \$603,753,647, comprised of \$439,167,934 charged to ordinary account and \$164,585,713 to capital account. Thus the gross expenditure charged to appropriations authorized was \$51,898,853 less than the total amount authorized. The principal under-expenditures in this amount relate to Ontario Water Resources Commission construction of plant and equipment \$13,277,968, construction of King's highways \$9,474,137, grants to municipalities \$5,188,301, highway maintenance \$5,403,174, construction of new buildings \$3,132,893, general legislative grants for education \$3,021,135, grants to conservation authorities \$3,002,248, grants to public hospitals \$2,696,469 and accountable funds of \$4,000,000. The under-expenditure in accountable funds results from the fact that expenditures of this nature are made for recoverable advances which when recovered prior to the year end are applied as a contra to the expenditures.

The principal over-expenditure was \$3,017,016 for the redemption of vacation-with-pay stamps.

In all cases where the actual expenditure exceeded the original appropriation, the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$13,129,191, consisting of \$8,375,191 ordinary account and \$4,754,000 capital account with actual expenditures relative thereto amounting to \$11,614,550, of which \$7,020,270 applied to ordinary account and \$4,594,280 to capital account. These expenditures form part of the total gross expenditure of \$603,753,647 referred to above and are not in addition thereto.

Full details of treasury board orders issued and the amounts expended under this authority will be found on pages 42-51 of this report.

STATUTORY

The Estimates presented for the year 1957-58 forecast \$221,584,500 gross expenditure under statutory authority. This amount was divided \$106,985,500 to ordinary account and \$114,599,000 to capital account. Actual gross statutory expenditure amounted to \$198,293,158 consisting of \$109,192,415 ordinary expenditure and \$89,100,743 capital expenditure, excluding loan maturities and sinking fund investments. The actual total gross statutory outlay was less than the estimates by \$23,291,342. This is the result of actual gross ordinary statutory expenditure exceeding the estimates by \$2,206,915 and actual gross capital statutory disbursements being \$25,498,257 less than the estimates.

The excess of \$2,206,915 in gross ordinary statutory expenditure is accounted for by increased expenditures of \$1,245,748 in the Public Service Superannuation Fund and a net over-expenditure of \$961,167 in all other items of gross ordinary statutory expenditure.

The total gross outlay on capital statutory account was less than the related estimates by \$25,498,257. This difference arises mainly as a result of providing in the estimates for a loan under The Northern Pipe Line Act of \$35,000,000 which was not made, less an advance of \$11,700,000, made to The Ontario Municipal Improvement Corporation, which was not in the estimates.

SPECIAL WARRANTS

During the year expenditure in the amount of \$2,519,905 was made through special warrants under authority of subsection 1, section 30, of The Financial Administration Act, 1954.

Full details of the expenditures made under Special Warrants will be found on page 52 of this report.

PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE FOR THE FISCAL YEAR ENDED MARCH 31, 1958

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1958, showing the percentage of each item to the total, classified by major categories, is presented in the following statement:

NET ORDINARY REVENUE		%
Corporations Tax.....	\$148,015,496	25.01
Gasoline Tax.....	138,532,259	23.41
Income Tax Rental Agreement.....	74,379,000	12.57
Liquor Profits, Gallonage Tax, etc.....	66,672,601	11.26
Motor Vehicle Licenses and Fees, etc.....	52,562,489	8.88
Succession Duty.....	31,980,270	5.40
Timber Dues, Bonus, etc.....	14,431,008	2.44
Mines Profits Tax.....	9,611,946	1.62
Motor Vehicle Fuel Tax.....	4,728,806	.80
Race Tracks Tax.....	4,642,836	.78
Hospitals Tax.....	4,509,402	.76
Fish and Wildlife Licenses, Royalties, etc.....	4,434,531	.75
Ontario Hospitals—Maintenance of Patients.....	3,747,967	.63
Government of Canada—Annual Subsidies.....	3,640,940	.62
Land Transfer Tax.....	3,413,192	.58
All other revenues.....	26,546,349	4.49
	<u>\$591,849,092</u>	<u>100.00</u>
NET ORDINARY EXPENDITURE		%
Education.....	\$141,659,812	23.97
Highways and Roads—		
Maintenance and Administration.....	\$64,425,985	
Appropriation to Highway Construction Account.....	57,500,000	
	<u>121,925,985</u>	20.63
Health Services.....	65,965,085	11.16
Public Debt—		
Interest, etc.....	\$29,125,879	
Provision for Sinking Funds.....	17,833,000	
	<u>46,958,879</u>	7.95
Public Welfare.....	36,143,215	6.11
Grants based on The Municipal Unconditional		
Grants Act, 1953.....	20,669,766	3.50
Conservation of Forests, Fish and Wildlife.....	18,733,583	3.17
Law Enforcement.....	17,332,913	2.93
Agricultural Services, Grants, etc.....	12,335,550	2.09
Reform Institutions.....	9,379,320	1.59
Public Buildings, Maintenance and Repairs, etc.....	9,096,776	1.54
All other expenditures.....	27,782,178	4.70
	<u>\$527,983,062</u>	<u>89.34</u>
Capital Disbursements on Highways, Public Works, etc., financed		
out of Ordinary Revenue.....	63,000,000	10.66
	<u>\$590,983,062</u>	<u>100.00</u>

On pages 32-33 of this report will be found a graphic presentation of several of the major items above giving comparisons for the five years ended March 31, 1958.

GENERAL

Corporations tax, gasoline tax, the income tax rental agreement with the Federal Government, liquor control revenues, motor vehicle licenses and fees, and succession duty provide the chief sources of ordinary revenue for the Province.

Education, highway expenditures, health services, public debt charges, including provision for Sinking Funds, and welfare costs are the principal items of ordinary expenditure excluding capital disbursements financed out of ordinary revenue. Although other operations give rise to somewhat smaller amounts, the individual totals are still significant in most cases and have an important place in the operations of the Province. I refer hereunder to some of the more important items of revenue and expenditure and other matters relating to the operations for the year ended March 31, 1958.

Under authority of The Income Tax Rental Agreement Act, 1957, the Province of Ontario has signed an Income Tax Rental Agreement with the Government of Canada under which the Province, for a five-year period commencing January 1, 1957 and ending December 31, 1961, agrees to refrain from levying individual income tax in return for an annual rental from the Government of Canada equal to 10 per cent of its individual income tax collections from Ontario residents at 1956 rates of tax. During the fiscal year ended March 31, 1958, the Province received \$74,379,000 under the terms of this agreement. After negotiation, the rental for the fiscal year commencing April 1, 1958, was increased from 10 per cent to 13 per cent by an amendment made by the Government of Canada to the Federal-Provincial Tax Sharing Arrangements Act.

During the year gross capital disbursements on King's Highways, Development Roads and Municipal Roads Subsidies, etc., amounted to \$148,338,959. This amount includes \$57,500,000 from the Highway Construction Account. The total of \$148,338,959 is an increase of \$14,127,926 over 1957. In addition, \$1,247,334 was spent on mining roads by the Department of Mines and \$280,550 was spent on logging roads by the Department of Lands and Forests.

Capital disbursements were made to The Hydro-Electric Power Commission of Ontario in the amount of \$7,359,099 to assist in rural electrification projects. This is an increase of \$1,215,383 when compared with disbursements made in 1956-57.

Land and Buildings were added to during the year by capital disbursements of \$41,867,107 and General Works and Improvements by capital disbursements of \$1,830,728.

A provision for Sinking Funds in the amount of \$17,833,000 was made through ordinary account.

Contributions by the Province to the Teachers' Superannuation Fund and the Public Service Superannuation Fund amounted to \$9,508,898, and \$5,295,748 respectively, in accordance with the requirements of the enactments relative thereto. In addition, a special payment of \$1,000,000 has been made to each Fund as a special contribution from the Province to reduce the amount by which the estimated actuarial liabilities exceed the assets of the respective Funds. These special contributions, which have been made for several years although a valuable addition to the two funds should be looked upon as a temporary measure only. At the time of the next actuarial valuation, arrangements should be made to fund over a period of years any deficit which may then be revealed.

Pension plans should be maintained on sound principles of financing and adequate provision should be made for pensions during the service lifetime of the contributors.

AUDIT OF REVENUE

During the year revenues of Departments have been examined in a systematic manner which included all procedures considered necessary in accordance with generally accepted auditing standards applicable in the circumstances.

The systems of internal control and methods of accounting in operation were reviewed in all Departments visited. Comprehensive reports on the examinations were prepared and presented to the Ministers of the Departments concerned, and to officials of Boards and Commissions. The information obtained from these examinations enables me to form the opinion that a full accounting is being made of the revenues of the Province.

A continuous audit of the revenues of the Province is being maintained as in previous years.

The amounts of the various service and license fees levied by the Province are subject to continuous review by the Comptroller of Revenue, with a view to maintaining their adequacy in relation to the rising costs of administration.

AUDIT OF EXPENDITURE

In accordance with the requirements of The Audit Act, a continuous audit of the expenditures of the Province was maintained throughout the fiscal year ended March 31, 1958.

Under authority granted to the Auditor in section 11 of The Audit Act, certain vouchers were admitted as satisfactory after audit tests had been made and having regard to the character of the departmental examination.

On page 18 of my report for 1954-55 I recommended the adoption of the procedure of public opening of tenders. This practice has been successfully followed for some years by the Department of Highways. I feel that public opening of tenders is highly desirable and I again recommend that other departments adopt this practice.

Another matter that is constantly before me in the conduct of my audit is the preparation, examination and certification of claims under the numerous Federal-Provincial shared cost agreements. While these agreements result in the carrying out of many worthwhile projects of mutual interest the Province has to meet considerable indirect cost by way of temporary financing and administrative overhead. At present claims are submitted monthly, or in some cases quarterly, depending upon the terms of the agreement. To prepare, audit and submit such claims requires a substantial outlay for staff by the initiating government. There is also involved the resultant delay before reimbursement is received which in turn brings about additional financing costs. It is my conviction that a study should be made to develop a mutually acceptable method of current settlements on an estimated basis to be substantiated in each case by a final claim into which any necessary adjustments would be incorporated.

One of the major problems of public administration is how best to reconcile public control and public accountability with giving rein to the creative urge without which the purpose of any great enterprise can never be achieved. Petty haggling and pruning do not always ensure more effective or efficient service; a balanced appreciation however will ensure both that services are maintained at the smallest possible cost to the taxpayer and that these services represent the best possible return for a limited outlay.

In more than one previous report I have advocated the development of the attitude of mind which counts the cost in the spending of public money. Most will agree that greater efficiency and economy will result from a greater consciousness of the cost of services on the part of those in the respective departments. The complexities in achieving such an intangible aim are great but the rewards should be equally great. The problem nevertheless is a real one. The prerequisites of a cost consciousness, which all in public service must strive to achieve are, firstly, an elementary knowledge of economics (to destroy the "something for nothing" outlook) and, secondly, the inculcation throughout the public service of a balanced outlook towards the job in hand, in which considerations of cost have their rightful place in the effective execution of departmental policy. This attitude will bring about a critical consideration of every type of expenditure and ensure that money spent is effectively achieving its intended purpose. The appreciation of cost becomes in fact almost instinctive and it is this quality which is so desirable to have ever present in order to keep a proper perspective in the spending of public money.

BALANCE SHEET

The balance sheet of the Province does not include as an asset the value of Crown timber, mineral wealth and surface value of Crown lands, water power, fish, game and fur.

The balance sheet does not include the accounts of a number of Board and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

A condensed balance sheet follows showing the assets and liabilities of the Province of Ontario as at March 31, 1958.

**PROVINCE OF ONTARIO
CONDENSED BALANCE SHEET
AS AT MARCH 31, 1958**

ASSETS

Cash on Hand and in Banks.....	\$ 12,920,266
Temporary Investments.....	8,438,750
Loans and Advances.....	445,844,532
Government of Canada:	
Debt Account and Common School Fund.....	4,271,015
Highways, Buildings, etc.....	1,386,150,291
The Liquor Control Board of Ontario—Investment.....	22,860,754
Other Loans and Advances.....	728,024
Discount on Debentures (less amount amortized).....	7,194,065
Accounts Receivable (less Reserve).....	10,034,286
Accrued Interest on bonds securing Advances.....	2,503,904
Interest Receivable (less Reserve).....	737,667
Equipment, Stores and Materials (less Reserve).....	7,317,017
	<u>\$1,909,000,571</u>

LIABILITIES

Funded Debt (less sinking funds—\$197,003,000).....	\$1,043,204,500
Unfunded Debt.....	242,605,489
Accounts Payable.....	2,369,185
Accrued Interest on Funded Debt.....	13,174,797
	<u>\$1,301,353,971</u>
Reserves.....	5,009,026
Surplus.....	602,637,574
	<u>\$1,909,000,571</u>
Contingent Liabilities:	
Bonds, etc., Guaranteed by the Province.....	<u>\$1,326,764,735</u>

I report hereunder on certain of the Assets and Liabilities as shown on the balance sheet of the Province as at March 31, 1958, which appears in the Public Accounts for 1957-58 on pages 6-7.

ASSETS

CASH ON HAND AND IN BANKS—\$12,920,266

Cash in Chartered Banks.....	\$11,678,684
Province of Ontario Savings Office.....	1,241,582
	<u>\$12,920,266</u>

The balances in chartered banks for the account of the Treasurer of Ontario were verified by reconciliation with letters of confirmation received direct from the depositaries. It was also necessary to take into account a balance sheet adjustment made to segregate sinking fund monies on deposit with the Treasurer of Ontario from the other Provincial monies on deposit at March 31, 1958.

Cash on hand in the various branches of the Province of Ontario Savings Office was verified by reconciliation with letters of confirmation received direct from the branch managers. The branches of the Savings Office were examined by Head Office inspectors at various unannounced times during the year.

TEMPORARY INVESTMENTS—\$8,438,750

Government of Canada Short Term Securities.....	\$7,476,250
Canadian National Railway Company Debentures.....	962,500
	<u>\$8,438,750</u>

These investments were made as a means of making the most profitable use of funds temporarily surplus to normal requirements, and were made under authority of section 21 of The Financial Administration Act, 1954. In this type of transaction the vendors of the securities contract to pay interest at an agreed rate and to buy back the securities upon a fixed date at the price paid by the Province. The securities set out above were verified by actual count at the Securities Branch of the Treasury as at March 31, 1958.

LOANS AND ADVANCES—\$445,844,532

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO— ADVANCES—SECURED BY BONDS—\$290,895,000

No new advances were made to the Commission during the fiscal year and payment of \$2,105,000 was made to the Province. Upon receipt of this payment, bonds of the Commission held as security were released in an equivalent amount.

Bonds of the Commission in the amount of \$290,895,000 held in safekeeping as at March 31, 1958, were verified by actual count.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—
ADVANCES—UNSECURED—\$46,309,790

During the year ended March 31, 1958 the Commission repaid \$1,567,726 to the Province of Ontario on account of unsecured advances made under The Power Commission Act. Of the above repayment, \$1,334,997 was for the account of the Southern Ontario System, and \$232,729 for Northern Ontario Properties. The money originally advanced by the Province for the construction of fixed assets represented a portion of the proceeds of certain Provincial debenture issues. As the debentures mature, the Province is repaid the portion originally advanced.

A schedule is here presented which shows the details of future repayments:

YEAR ENDED	SOUTHERN ONTARIO SYSTEM	NORTHERN ONTARIO PROPERTIES	TOTAL
March 31, 1959.....	\$ 1,041,391	\$ 201,074	\$ 1,242,465
1960.....	12,215,141	2,538,561	14,753,702
1961.....	12,641,565	2,802,417	15,443,982
1962.....	1,179,236	228,018	1,407,254
1963.....	1,228,570	237,639	1,466,209
1964.....	1,280,836	247,876	1,528,712
1965.....	1,334,523	258,411	1,592,934
1966.....	1,390,288	269,382	1,659,670
1967.....	1,448,643	280,861	1,729,504
1968.....	1,169,088	245,701	1,414,789
1969.....	1,218,332	256,147	1,474,479
1970.....	835,175	237,685	1,072,860
1971.....	871,461	247,897	1,119,358
1972.....	295,003	108,869	403,872
	<u>\$38,149,252</u>	<u>\$8,160,538</u>	<u>\$46,309,790</u>

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,935

This amount relates to advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$5,381,838

The assets of Housing Corporation Limited have decreased by \$952,101 during the year. This is due mainly to repayment of mortgage loans principal in the amount of \$938,429 and the application of the related funds to the reduction of the outstanding bank loans of the Corporation. In the same period the Reserve for Mortgage Loans, principal and interest, was reduced by \$24,030 to \$903,254 due to a loss on operations owing to the fact that the interest earned on mortgage loans was not sufficient to meet interest and bank charges on borrowed funds.

As at March 31, 1958 there were 7,341 loans in the course of repayment. This is a reduction of 704 loans from last year. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

The assets and liabilities of Housing Corporation Limited have been included with the other accounts on the balance sheet of the Province. The balance sheet of Housing Corporation Limited is also shown separately in the Public Accounts for 1957-58 on page 55.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION—
INVESTMENTS—\$16,158,418

Under The Junior Farmer Establishment Act, 1952, the Province guaranteed the indebtedness of The Ontario Junior Farmer Establishment Loan Corporation which is a corporation created by the Province for the purpose of making loans to assist young qualified farmers in the establishment, development and operation of their farms.

During the year the assets of the Corporation have increased by \$3,113,615. This is due mainly to an increase of \$3,024,794 in mortgage loans principal. The extra funds required were obtained through the medium of bank loans. In the same period the Reserve for Mortgage Loans, principal and interest, was reduced by \$79,699 to \$236,262 due to a loss on operations owing to the fact that the interest earned on the loans was not sufficient to meet interest on borrowed funds.

As of March 31, 1958 there were 2,353 loans in the course of repayment. This is an increase of 450 loans compared with last year. No confirmation of outstanding loans was obtained from the borrowers concerned.

The assets and liabilities of The Ontario Junior Farmer Establishment Loan Corporation have been included with the other accounts on the balance sheet of the Province. The balance sheet of The Ontario Junior Farmer Establishment Loan Corporation is also shown separately in the Public Accounts for 1957-58 on page 58.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—
INVESTMENTS—\$33,068,830

Under The Ontario Municipal Improvement Corporation Act, the Province guaranteed the indebtedness of The Ontario Municipal Improvement Corporation which is a corporation created by the Province for the purpose of purchasing from municipalities and school boards in Ontario the debentures issued by them for certain works and undertakings. Debentures of Ontario municipalities and school boards having a par value of \$32,599,545 are held by the Corporation and have a book value of \$32,519,117, which with accrued interest receivable of \$549,713 makes up the Province's investment of \$33,068,830.

The assets and liabilities of The Ontario Municipal Improvement Corporation are also shown separately in the Public Accounts for 1957-58 on page 56.

A schedule of debentures of Ontario Municipalities and School Boards held by the Corporation at March 31, 1958, is presented on pages 35-38 of this report. These debentures have been verified by actual count as held in safekeeping at March 31, 1958.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—
INVESTMENTS—\$364,558

Agricultural Development Board—Debentures.....	\$ 275,000
The Farm Loans Act—Farm Loans Associations.....	36,352
—Capital Stock in Associations.....	2,145
Municipal Debentures—Village of West Lorne.....	51,061
	<u>\$364,558</u>

During the year the sum of \$655,686 was received on account of these investments.

THE HOUSING DEVELOPMENT ACT—
ADVANCES—\$10,138,607

During the year capital advances of \$4,889,826 were made under authority of the above Act in connection with certain joint housing projects which are controlled by the Government of Canada and the Province of Ontario acting in partnership to provide needed housing accommodation in Ontario.

In the same period \$864,253 has been received and applied as a reduction of the above advances pending any subsequent adjustments which may become necessary upon the completion of the various projects.

THE ONTARIO TELEPHONE DEVELOPMENT CORPORATION—
ADVANCES—\$652,000

These advances have been provided to enable the Corporation to acquire, construct, operate, maintain, and sell telephone systems in rural areas in order to improve local telephone service. During the year an additional advance of \$152,000 was made.

THE ONTARIO-ST. LAWRENCE DEVELOPMENT COMMISSION—
ADVANCES—\$2,110,130

This Commission has been established to acquire and develop park lands in the public interest in the St. Lawrence River area of the Province. During the year there has been a net increase of \$1,688,814 in this account.

ONTARIO WATER RESOURCES COMMISSION—
ADVANCES—\$1,722,032

This Commission has been set up to undertake the construction and operation of water and sewerage works. Projects undertaken must be self-liquidating, producing over a reasonable time a revenue that will cover operating costs, interest charges and debt retirement.

MUNICIPALITIES, ETC.—\$8,835,394

Co-operative Loans.....	\$2,195,332
Drainage Debentures.....	2,753,723
Improvement Districts of Elliot Lake and Manitouwadge—	
Advances.....	1,585,820
Sandwich, Windsor and Amherstburg Railway Company—	
Bonds.....	1,000,000
City of Windsor—Municipal Debentures.....	1,293,218
Miscellaneous.....	7,301
	<u>\$8,835,394</u>

A net increase of \$602,907 has occurred in Co-operative Loans during the year. The total of Drainage Debentures outstanding increased by a net amount of \$330,326. Elliot Lake and Manitouwadge due to their rapid expansion received advances amounting to \$1,585,820 to aid in financing capital projects. Debentures of the two municipalities maturing in five to ten years are to be issued and turned over to the Province. The Sandwich, Windsor and Amherstburg Railway Company met a maturity of \$50,000 during the year and the City of Windsor paid off \$60,615 of its debentures at the various due dates throughout the year.

GOVERNMENT OF CANADA—\$4,271,015

Debt Account.....	\$2,848,290
Common School Fund.....	1,422,725
	<u>\$4,271,015</u>

Details of these two accounts remain the same as given in previous reports. In accordance with existing arrangements 5 per cent interest on the outstanding balances has been received during the year from the Government of Canada.

HIGHWAYS, BUILDINGS, ETC.—\$1,386,150,291

Highways and Roads.....	\$1,104,969,292	
Less—Capital Disbursements to October 31, 1928, written off.....	111,604,602	
	<u></u>	\$ 993,364,690
 Rural Power Transmission Lines Bonus 1927-58.....	 \$ 110,307,472	
Less—Capital Disbursements to October 31, 1928, written off.....	1,840,247	
	<u></u>	108,467,225
Land, Buildings, Public Works, etc.....		278,210,419
Niagara Parks Commission.....		6,107,957
		<u>\$1,386,150,291</u>

During the year the investment in Highways and Roads was increased by a net amount of \$148,981,044. This represents net capital expenditures of \$148,338,958 on highways which includes \$57,500.00 expended through Highway Construction Account, \$1,247,335 spent on mining roads and \$280,550 spent on logging roads less net capital receipts of \$753,508 applied to highways and \$132,291 applied to logging roads. The accumulated net capital disbursements to date on highways and roads amount to \$993,364,690.

The highways built prior to 1928 have been either substantially replaced or reconstructed to such an extent that it is now considered that the cost of original construction should be written off. Accordingly the highway capital disbursements made prior to October 31, 1927, in the amount of \$97,936,190 have been written off in prior years and charged to Surplus and in the current year a further amount of \$13,668,412, being highway capital disbursements for the fiscal year ended October 31, 1928, has been written off. These two amounts totalling \$111,604,602 when deducted from the total disbursements leave a net book value at March 31, 1958 of \$993,364,690.

The Rural Power Transmission Lines constructed prior to October 31, 1928 have since that date been substantially reconstructed or replaced and therefore it has been deemed advisable to write off Rural Power Transmission Bonuses paid prior to October 31, 1928. Accordingly the capital disbursements made prior to October 31, 1927, in the amount of \$1,100,000 have been written off in the previous year and charged to Surplus, and in the current year a further amount of \$740,247 being Rural Power Transmission Bonus for the fiscal year ended October 31, 1928, has been written off. These two amounts totalling \$1,840,247 when deducted from the total disbursements leave a net book value at March 31, 1958 of \$108,467,225.

Net increases were made to the value of Land, Buildings, Public Works, etc., during the year in the amount of \$43,021,355. No depreciation has been accrued on these assets.

The Surplus Account of The Niagara Parks Commission as at the close of its fiscal year, October 31, 1957, showed a balance of \$6,107,957, which is included in the accounts of the Province by authority of subsection 2 of section 14 of The Niagara Parks Act. This amount has been brought on the balance sheet by an adjustment through Surplus Account.

THE LIQUOR CONTROL BOARD OF ONTARIO—

INVESTMENT—\$22,860,754

This amount corresponds with the Appropriated Surplus of The Liquor Control Board of Ontario as at March 31, 1958. It represents the amount retained by the Board for financing Accounts Receivable, Inventories, Prepaid Charges and Fixed Assets (less reserves). This asset has been brought on the balance sheet by an adjustment through Surplus Account.

OTHER LOANS AND ADVANCES—\$728,024

Co-operative Loans.....	\$ 132,060
Guaranteed Debentures and Interest Coupons redeemed by Province.....	261,225
Home Bank (In Liquidation) Balance.....	213,000
Municipal Drainage Debentures.....	2,760
Promissory Notes Paid—Ottawa Separate Schools Commission.....	53,902
Settlers' Loans.....	63,547
Mothers' Allowances—Municipalities.....	1,530
	<hr/>
	\$728,024

This represents a segregation of Loans and Advances which are in arrears or in default.

During the year Rural Power Districts, Domestic Loans in the amount of \$1,142 were written off as uncollectable and charged to Surplus Account. Outstanding settlers' loans have been reduced by \$4,435.

These assets are carried at book value as the ultimate realization value cannot be determined at this time.

DISCOUNT ON DEBENTURES (less amount amortized)—\$7,194,065

Discounts and premiums on Provincial Debenture issues are amortized in each case over the term of the related issue. The unamortized balances making up the above total are shown in detail in the Public Accounts of Ontario for 1957-58 on page 51.

ACCOUNTS RECEIVABLE (less Reserve)—\$10,034,286

This is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for doubtful accounts and includes \$290,780 representing the unappropriated surplus of The Liquor Control Board of Ontario in the amount of \$115,950 together with amounts currently owing to the Province of Ontario in the amount of \$174,830 as shown by the balance sheet of the Board as at March 31, 1958.

The accounts receivable were submitted by Departmental accountants. The reserves provided are considered adequate. This asset has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON BONDS SECURING ADVANCES TO
THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—\$2,503,904

The above amount represents interest accrued but not yet due at March 31, 1958. This asset has been brought on the balance sheet by an adjustment through Surplus Account. The principal amount of the bonds held is \$290,895,000 and is referred to earlier in this report.

INTEREST RECEIVABLE (less Reserve)—THE AGRICULTURAL
DEVELOPMENT FINANCE ACT—\$737,667

There is owing to the Treasurer of Ontario \$2,937,667 for interest due and accrued on the debentures of the Agricultural Development Board. A reserve of \$2,200,000 is provided against the \$2,937,667 since a deficit of \$1,105,523 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectable. The reserve is considered to be adequate at the present time. This account has been brought on the balance sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS (less Reserve)—\$7,317,017

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued as in previous years on a basis not exceeding cost. This account has been brought on the balance sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$1,043,204,500

Stock and Debentures.....	\$1,239,307,500
Less—Sinking Funds.....	197,003,000
	<u>\$1,042,304,500</u>
6% Bonds of the Sandwich, Windsor and Amherstburg Railway Company due July 1, 1961—Principal assumed by Province.....	900,000
	<u>\$1,043,204,500</u>

The details of Stock and Debentures outstanding at March 31, 1958 are shown in the Public Accounts for 1957-58 on page 53.

The Sinking Funds amount to \$197,003,000 of which \$45,712,250 is on deposit with the Treasurer of Ontario. The securities held are shown on page 52 of the Public Accounts for 1957-58 and consist of issues of the Province of Ontario, The Hydro-Electric Power Commission of Ontario, the Ontario Northland Transportation Commission, the Sandwich, Windsor and Amherstburg Railway Company and the Government of Canada. These bonds were verified by actual count as at March 31, 1958. The funds on deposit have been verified from the records of the Treasurer of Ontario.

UNFUNDED DEBT—\$242,605,489

DEMAND DEPOSITS WITH THE PROVINCE OF
ONTARIO SAVINGS OFFICE—\$80,065,959

Current deposits of \$80,000,642 and unclaimed balances of \$65,317 comprise this amount. These accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to depositors is similar to the liability of a chartered bank in regard to savings deposits.

SPECIAL FUNDS—\$75,573,117

Details of the balances included in this total are shown on page 54 of the Public Accounts for 1957-58. The liability arises from the receipt of funds which are subject to future disbursement by the Province.

During the year the Public Service Superannuation Fund funds on deposit increased by \$12,328,962 to a balance of \$59,635,973 at March 31, 1958.

The funds of the Public Service Retirement Fund decreased by \$12,206 to a balance of \$1,014,231 at March 31, 1958.

The funds held for the redemption of vacation-with-pay stamps increased by \$139,762 to a balance of \$9,511,575.

The funds held for the Unsatisfied Judgment Fund increased by \$1,126,589 to a balance of \$2,675,152 at March 31, 1958.

HOUSING CORPORATION LIMITED—LIABILITIES—\$4,478,574

The liabilities of Housing Corporation Limited consist mainly of a bank overdraft of \$469,236, and a bank loan of \$4,000,000 guaranteed by the Province of Ontario. During the year the bank loan was reduced by \$1,400,000.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT
LOAN CORPORATION—LIABILITIES—\$15,922,156

The liabilities of The Ontario Junior Farmer Establishment Loan Corporation consist mainly of a bank overdraft of \$251,689, bank loans of \$4,400,000, outstanding debentures \$11,000,000 and accrued interest on debentures of \$246,140. These liability items are guaranteed by the Province of Ontario.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—
LIABILITIES—\$28,804,231

The liabilities of The Ontario Municipal Improvement Corporation include outstanding debentures \$28,050,000, a bank overdraft of \$662,590 and accrued debenture interest of \$498,175, all guaranteed by the Province of Ontario. These three items less discount on debentures of \$406,534 account for the above total of \$28,804,231.

In addition, the Corporation is indebted to the Treasurer of Ontario for a net advance of \$3,700,000. This item has been eliminated by contra in the preparation of the balance sheet of the Province.

HIGHWAY CONSTRUCTION ACCOUNT—\$37,500,000

This account was created under authority of section 21 of The Highway Improvement Amendment Act, 1952. During the fiscal year ended March 31, 1958, an amount of \$57,500,000 was appropriated for the account by the Legislature through Highways ordinary expenditure. The receipts and disbursements in this account are summarized below:

Balance, March 31, 1957.....	\$37,500,000
Fiscal year ended March 31, 1958:	
Receipts:	
Voted from Ordinary Expenditure.....	57,500,000
	<u>\$95,000,000</u>
Disbursements:	
Statutory Capital Disbursements.....	57,500,000
	<u>\$37,500,000</u>
Balance, March 31, 1958.....	<u>\$37,500,000</u>

MISCELLANEOUS—\$261,452

This amount is the unpaid balance of principal at March 31, 1958, of the mortgage which was assumed on February 1, 1955 in connection with the acquisition of a building at 125 Fleet Street East, Toronto, by the Department of Public Works. This mortgage has been paid off in full since March 31, 1958.

ACCOUNTS PAYABLE—\$2,369,185

Of this total \$2,103,266 arises from timber deposits and other liabilities of the Department of Lands and Forests. The remaining \$265,919 represents the value of goods received and services rendered during the year which had not been paid for as at March 31, 1958 by the departments. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$13,174,797

Interest accrued but not yet due at March 31, 1958, on debentures outstanding in the hands of the public, accounts for \$13,163,972 of the above total. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

RESERVES—\$5,009,026

There has been a net increase of \$80,258 in this account. The main items accounting for the increase were: a net increase of \$6,449 in outstanding cheques, an amount of \$176,325 added to the General Reserve of The Ontario Municipal Improvement Corporation, less a reduction of \$24,030 in the Reserve for Mortgage Loans, principal and interest, of Housing Corporation Limited and a reduction of \$79,699 in the Reserve for Mortgage Loans, principal and interest, of The Ontario Junior Farmer Establishment Loan Corporation.

SURPLUS—\$602,637,574

Surplus Account has been increased during the fiscal year by a net amount of \$124,769,580. The principal items credited to Surplus Account during the fiscal year were Surplus on Ordinary Account \$866,030, Provision for Sinking Funds amounting to \$17,833,000, disbursements charged to Highway Construction Account during the fiscal year \$57,500,000, capital disbursements on highways, Public Works, etc., financed out of Ordinary Revenue \$63,000,000 and a sundry item of \$768.

During the fiscal year Surplus Account has been reduced by Highway Capital Disbursements for the fiscal year ended October 31, 1928 amounting to \$13,668,412 written off, Rural Power Transmission Lines Bonus for the fiscal year ended October 31, 1928 amounting to \$740,247 written off, an item of uncollectable accounts of \$1,142 written off and a net amount of \$20,417 relating to year-end adjustments of accounts receivable and payable, stores and materials and accrued interest, etc.

Details of the changes in Surplus Account for the year are shown in the Public Accounts for 1957-58 on page 8.

CONTINGENT LIABILITIES—

Bonds, etc., guaranteed by the Province of Ontario as at March 31, 1958.....	\$1,352,773,735	
Less—Held in Sinking Funds.....	26,009,000	
		<u>\$1,326,764,735</u>

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, a Commission, Railways, Schools, Universities and a Municipality, etc., as shown on pages 63-66 of the Public Accounts for 1957-58 are in accordance with the authority granted in the governing statutes.

During the fiscal year guarantees of bonds, etc., increased by a net amount of \$226,403,109. This is due mainly to a net increase of \$214,009,700 in issues of The Hydro-Electric Power Commission of Ontario, an increase of \$11,500,000 in the obligations of the University of Toronto, a net increase of \$1,653,336 in obligations of Co-operative Associations and a net reduction of \$725,000 in the obligations of the Ontario Northland Transportation Commission.

It has been decided that the amount of contingent liabilities shown on the balance sheet of the Province of Ontario should be net of guaranteed obligations held in the sinking funds of the Province of Ontario. For further details see page 66 of the Public Accounts for 1957-58.

CHARTS AND STATEMENTS

Charts showing the trend in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ended March 31, 1958, are appended to this report on pages 30-31. The difference between Gross and Net Provincial Debt and Gross and Net Capital Debt is explained in my report for 1953-54 on page 30. Charts showing the trend in certain major items of Net Ordinary Revenue and Expenditure appear on pages 32-33 of this report.

The following statements for the fiscal year April 1, 1957 to March 31, 1958 are appended on pages 34-41:

Source and Application of Funds

Debentures of Ontario Municipalities and School Boards held by The Ontario Municipal Improvement Corporation as at March 31, 1958

Comparative Statement of Net Interim and Actual Ordinary Revenue

Comparative Statement of Net Interim and Actual Ordinary Expenditure

Comparative Summary of Net Interim and Actual Ordinary Revenue and Expenditure

Comparative Statement of Net Interim and Actual Capital Receipts

Comparative Statement of Net Interim and Actual Capital Disbursements.

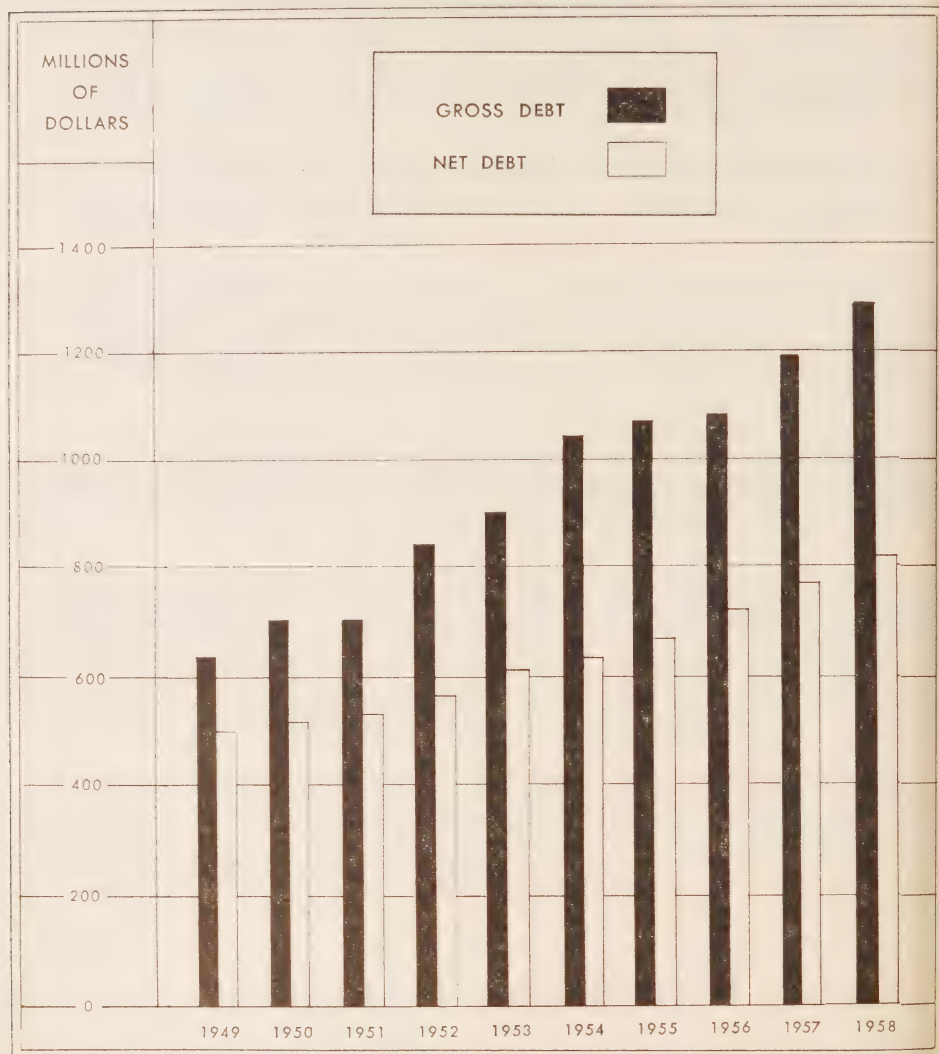
Statements showing details of Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1958, and Special Warrants issued during the fiscal year ended March 31, 1958, are submitted in separate sections immediately following the statements referred to above.

I wish to express my appreciation to the officials and staff of the various Departments, Boards and Commissions, for the co-operation extended to this office during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 20, 1958.

GROSS AND NET DEBT*
FOR THE TEN YEARS ENDED MARCH 31, 1958

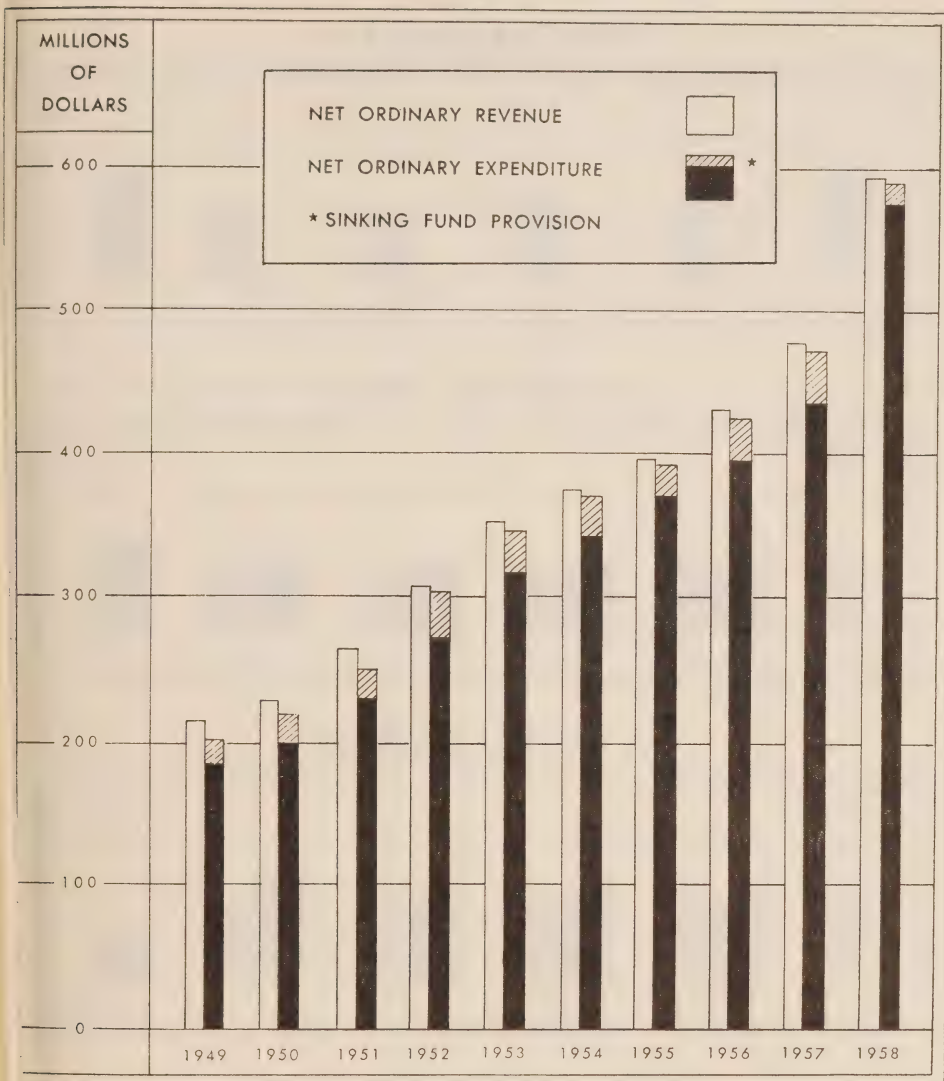


Gross and Net Debt per Public Accounts*

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1949	\$ 628,662,860	\$ 483,675,155
1950	694,009,335	508,819,332
1951	697,963,424	521,550,164
1952	826,228,266	554,634,804
1953	884,231,206	604,832,094
1954	1,035,484,085	629,995,642
1955	1,066,160,741	660,725,169
1956	1,072,409,119	705,306,145
1957	1,196,707,469	758,277,702
1958	1,285,809,989	818,606,441

*Gross and Net Provincial Debt, 1949-1952.
 Gross and Net Capital Debt, 1953-1958.

NET ORDINARY REVENUE AND EXPENDITURE FOR THE TEN YEARS ENDED MARCH 31, 1958

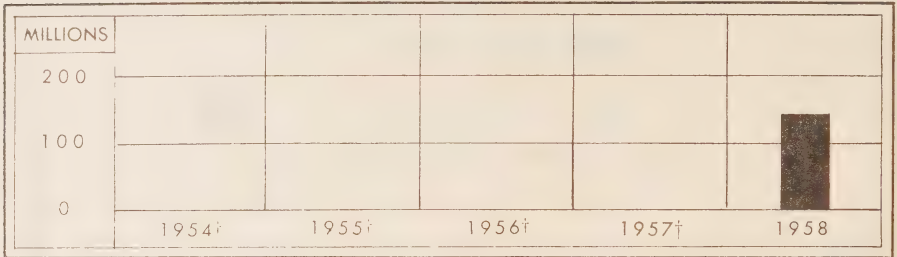


YEAR ENDED MARCH 31	NET ORDINARY REVENUE	NET ORDINARY EXPENDITURE	*SINKING FUND PROVISION
1949	\$ 215,469,614	\$ 206,256,361	\$ 15,550,000
1950	228,550,022	219,893,374	20,622,000
1951	265,272,107	249,788,424	21,698,000
1952	302,320,999	301,259,560	34,276,000
1953	349,500,385	348,399,514	30,859,000
1954	372,973,316	372,040,302	29,945,000
1955	399,393,284	399,249,638	21,536,000
1956	427,969,363	425,464,481	32,630,000
1957	479,783,191	477,978,640	40,729,000
1958	591,849,092	590,983,062	17,833,000

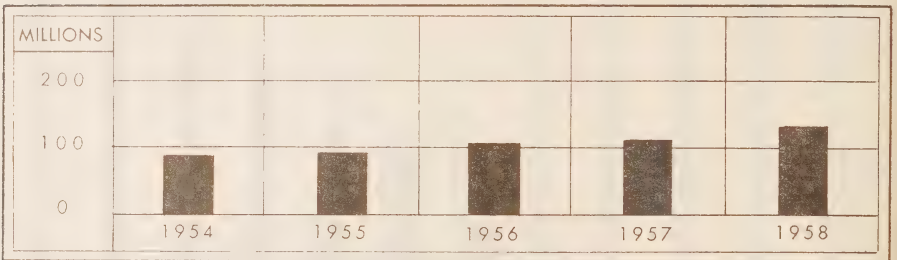
*Included in Net Ordinary Expenditure.

MAJOR ITEMS OF NET ORDINARY REVENUE
COMPARED FOR THE FIVE YEARS ENDED MARCH 31, 1958

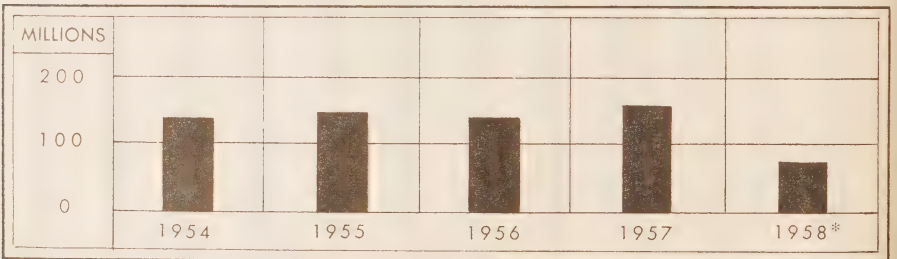
CORPORATIONS TAX



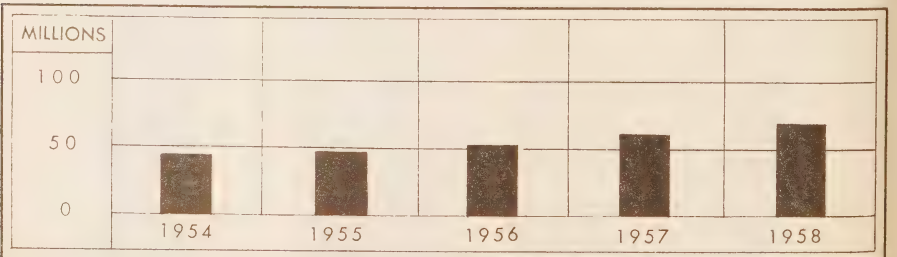
GASOLINE TAX



TAX RENTAL AGREEMENT



LIQUOR CONTROL REVENUES

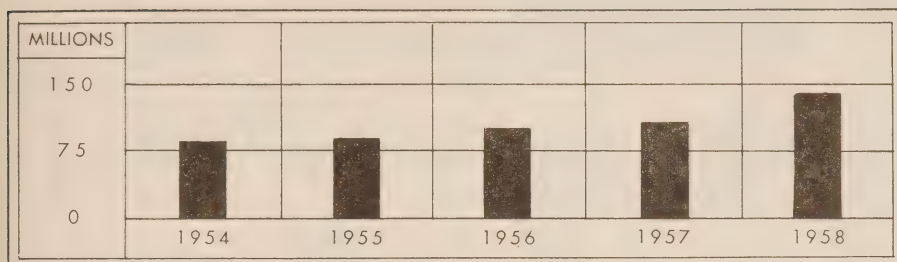


†Included in Tax Rental Agreement.

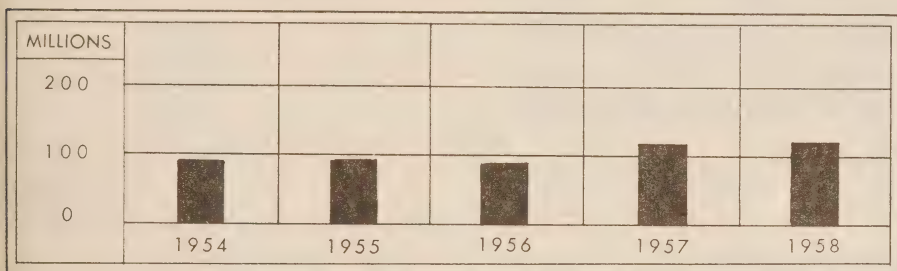
*Income Tax Rental Only.

**MAJOR ITEMS OF NET ORDINARY EXPENDITURE
COMPARED FOR THE FIVE YEARS ENDED MARCH 31, 1958**

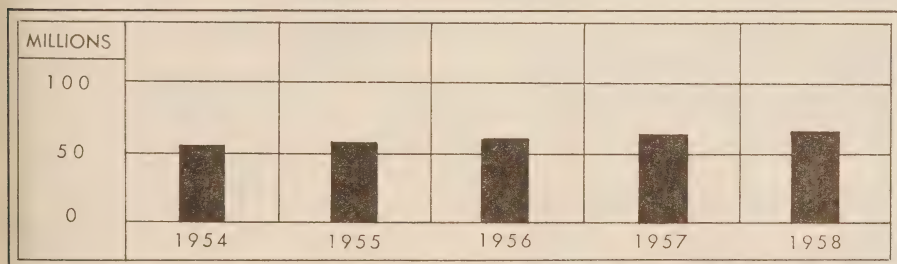
EDUCATION



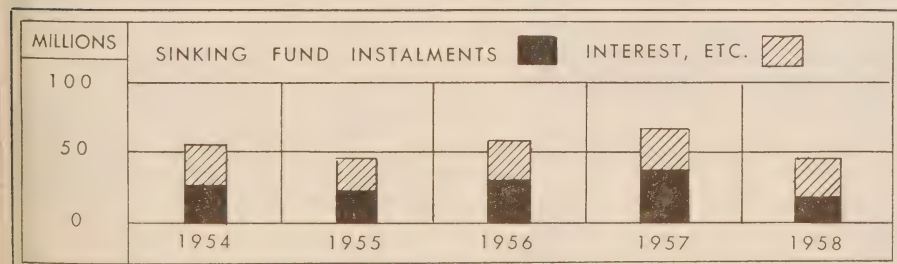
HIGHWAYS AND ROADS, MAINTENANCE, GRANTS, Etc. *



HEALTH SERVICES



PUBLIC DEBT



*includes Appropriation to Highway Construction Account.

STATEMENT SHOWING SOURCE AND APPLICATION OF FUNDS FOR THE FISCAL YEAR ENDED MARCH 31, 1958

SOURCE OF FUNDS—

Excess of Ordinary Revenue over Ordinary Expenditure.....	\$	866,030	
Add: Items not requiring an outlay of funds:			
Provision for Sinking Funds.....	\$	17,833,000	
Appropriation to Highway Construction Account.....		57,500,000	
Discount on Debentures written off (net).....		949,579	
			76,282,579
Increase in Liabilities:			
Debentures issued (net of discount).....	\$	74,900,000	
Demand Deposits with Province of Ontario Savings Office (net)		1,443,668	
Special Funds Deposits (net)—			
Public Service Superannuation and Retirement			
Funds.....	\$	12,316,755	
Other.....		1,772,804	
			14,089,559
Bequests, Scholarships and Outstanding Cheques (net).....		7,661	
			90,440,888
Decrease in Assets:			
Sinking Fund Investments Matured.....	\$	956,000	
Uninvested Sinking Funds.....		12,097,000	
Temporary Investments (net).....		9,773,250	
Loans and Advances Repaid.....		13,788,449	
Sale of Capital Assets and Recoveries.....		1,482,229	
Other.....		3,239	
			38,100,167
			<u>\$205,689,664</u>

APPLICATION OF FUNDS—

Investment in Physical Assets:

Highways.....	\$148,338,959		
Logging Roads.....	280,550		
Mining Roads.....	1,247,334		
		\$149,866,843	
Land and Buildings.....	\$ 41,789,189		
Storage Dams and Docks, etc.....	650,000		
		42,439,189	
Rural Power Transmission Lines.....		7,359,099	
Conservation Projects.....		1,172,752	
Miscellaneous.....		7,976	
		\$200,845,859	
Less—Financed out of Ordinary Revenue.....		63,000,000	
			\$137,845,859
Increase in Other Assets:			
Sinking Fund Investments Purchased.....	\$	24,115,000	
Cash on Hand and in Banks.....		11,617,738	
Loans and Advances.....		23,157,149	
			58,889,887
Decrease in Liabilities:			
Debentures Retired through Sinking Funds.....	\$	6,771,000	
Debentures Retired prior to Maturity.....		2,105,000	
Miscellaneous.....		77,918	
			8,953,918
			<u>\$205,689,664</u>

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1958**

NAME	PURPOSE	PAR VALUE
Acton, Town of	Water, Sewers and Schools	\$ 310,300.00
Ajax, Town of	Schools	136,200.00
Ajax, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	70,000.00
Albion, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8	Schools	40,000.00
Anderdon and Sandwich West, Townships of—Board of Trustees of Roman Catholic Union Separate School, United Sections No. 2 and No. 8	Schools	26,800.00
Atikokan, Township of	Water, Sewers and Schools	276,900.00
Atwood, Township of	Schools	47,800.00
Aurora, Town of	Sewers	245,560.00
Bancroft, Village of	Schools	104,000.00
Bertie, Township of	Water	100,000.00
Black River, Township of	Water and Sewers	78,700.00
Blenheim, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21	Schools	45,600.00
Blezard, Township of	Schools	80,000.00
Blind River, Town of	Water, Sewers and Schools	407,600.00
Blind River, Town of—Board of Trustees of Roman Catholic Separate School	Schools	155,300.00
Bolton, Village of	Schools	52,162.00
Bracebridge, Town of	Water and Schools	360,100.00
Brampton, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	116,700.00
Bronte, Village of	Water, Sewers and Schools	531,723.00
Bruce Mines, Town of	Schools	116,700.00
Brudenell and Lyndoch, and Radcliffe, Townships of— Board of Trustees of Roman Catholic Union Separate School for United Sections No. 3	Schools	20,000.00
Brunel, Township of	Schools	32,700.00
Burlington—Nelson, Board of Management Inter- Urban Area of	Water	236,000.00
Calvert, Township of	Water and Sewers	25,000.00
Calvert, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4	Schools	155,300.00
Capreol, Town of	Water and Sewers	27,200.00
Cardiff, Improvement District of	Water, Sewers and Schools	617,000.00
Cartier, (Unorganized) Township of—Board of Trustees of Public School Section No. 1	Schools	3,500.00
Casgrain, Township of, in the Territorial District of Cochrane—Board of Trustees of Roman Catholic Separate School Section No. 2	Schools	38,900.00
Cayuga, Village of—Board of Trustees of Roman Catholic Separate School	Schools	38,300.00
Chapleau, Township of	Sewers	239,000.00
Chelmsford, Town of	Schools	4,050.00
Chippawa, Village of	Sewers	204,308.00
Chippawa, Village of—Board of Trustees of Roman Catholic Separate School	Schools	77,800.00
Cobalt, Town of	Schools	224,000.00
Cobden, Village of	Water and Sewers	59,600.00
Cochrane, Town of	Sewers	85,000.00
Colchester North, Township of	Schools	97,300.00
Cornwall, City of	Water and Schools	186,000.00
Crowland, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9	Schools	120,000.00
Crystal Beach, Village of	Water and Sewers	141,600.00
Dover, Township of—Board of Trustees of Roman Catholic Union Separate School Sections No. 3, 7, 9, 13 and 14	Schools	140,000.00
Draper, Township of	Schools	43,800.00
Dryden, Town of	Water	39,900.00
Eysart, Dudley, Harcourt, Guilford, Harburn, Bruton, Havelock, Eyre and Clyde, Townships of	Schools	30,000.00
Elliot Lake, Improvement District of	Water, Sewers and Schools	5,320,900.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1958**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Elmvale, Village of.....	Water.....	\$ 2,500.00
Etobicoke, Township of.....	Water and Sewers.....	943,000.00
Fisher, (Unorganized) Township of—Board of Trustees of Roman Catholic Separate School Section 1.	Schools.....	15,600.00
Fort Frances, Town of.....	Water and Sewers.....	21,200.00
Fredericksburgh North, Township of.....	Schools.....	17,100.00
Frontenac, County of.....	Schools.....	775,000.00
Georgetown, Town of.....	Water, Sewers and Schools	403,200.00
Gladstone, Bright, Parkinson, Patton and Eley, Unorganized Townships of—Board of School Trustees of the Township School Area.....	Schools.....	38,900.00
Glencoe, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	19,500.00
Gloucester, Township of.....	Schools.....	164,100.00
Grantham, Township of.....	Water and Sewers.....	478,500.00
Grantham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	116,700.00
Grantham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8.....	Schools.....	38,900.00
Gwillimbury North, Township of.....	Schools.....	66,800.00
Hawkesbury, Town of.....	Water and Sewers.....	59,500.00
Hearst, Town of.....	Water and Sewers.....	41,000.00
Hensall, Village of.....	Schools.....	109,200.00
Houghton, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	42,500.00
Innisfil, Township of.....	Schools.....	43,438.00
Innisfil, Township of—Board of Trustees of Roman Catholic Separate School Section No. 12.....	Schools.....	76,700.00
Jaffray and Melick, Townships of.....	Schools.....	22,000.00
Johnson, Township of.....	Schools.....	46,700.00
King, Township of.....	Drainage.....	23,200.00
Lakefield, Village of.....	Water and Schools.....	270,400.00
Lakefield, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	40,000.00
La Salle, Town of.....	Water.....	29,400.00
London, Township of.....	Sewers and Schools.....	283,806.36
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	40,800.00
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21.....	Schools.....	40,000.00
Long and Striker, Townships of, in the Territorial District of Algoma—Board of Public School Trustees for Union School Sections No. 1.....	Schools.....	57,400.00
Lutterworth, Township of.....	Schools.....	40,000.00
Lybster and South Marks, (Unorganized) Townships of—Board of Trustees of the Township School Area.....	Schools.....	20,000.00
Machin, Township of.....	Schools.....	9,900.00
Madoc, Village of.....	Water and Sewers.....	13,400.00
Maidstone, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	14,600.00
Markham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	77,700.00
Marmora, Village of.....	Schools.....	87,600.00
Matheson, Town of.....	Water.....	4,500.00
Mattawa, Town of.....	Water and Sewers.....	142,000.00
McKim, Township of.....	Water and Sewers.....	432,600.00
Milton, Town of.....	Sewers and Schools.....	326,000.00
Moore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	14,600.00
Morrisburg, Village of.....	Sewers.....	3,800.00
Neelon and Garson, United Townships of.....	Water and Schools.....	595,000.00
Nelson, Township of.....	Schools.....	750,000.00
New Liskeard, Town of.....	Water and Sewers.....	10,100.00
Niagara, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	116,700.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1958**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Niagara, Township of.....	Sewers.....	\$ 21,900.00
Nipigon, Township of.....	Water and Sewers.....	82,000.00
Oakville, Town of.....	Water.....	358,400.00
Onaping, Improvement District of.....	Schools.....	117,000.00
Oro, Township of.....	Schools.....	40,000.00
Parry Sound, Town of.....	Water and Sewers.....	8,000.00
Pembroke, Township of.....	Schools.....	35,900.00
Petawawa, Township of.....	Schools.....	38,800.00
Pickering, Township of.....	Schools.....	58,400.00
Pickering, Village of.....	Schools.....	106,800.00
Port Credit, Village of.....	Water.....	209,000.00
Port Dalhousie, Town of.....	Water.....	20,000.00
Port Dalhousie, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	56,300.00
Port McNicoll, Village of.....	Water.....	13,000.00
Powassan, Town of.....	Water, Sewers and Schools.....	293,600.00
Prescott, Town of.....	Schools.....	269,000.00
Red Rock, Improvement District of.....	Water, Sewers and Schools.....	62,600.00
Renfrew, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	78,000.00
Richmond Hill, Town of.....	Schools.....	272,400.00
Richmond Hill, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	77,800.00
Riverside, Town of.....	Water and Sewers.....	59,656.00
Riverside, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	196,000.00
Rockland, Town of.....	Water.....	30,600.00
Rodney, Village of, and Aldborough, Township of— Board of Trustees of Roman Catholic Union Separate School for the Village and Section No. 5..	Schools.....	38,900.00
Sandwich East, Township of.....	Water, Sewers and Schools.....	338,907.80
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1....	Schools.....	77,620.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3....	Schools.....	12,900.00
Sandwich West, Township of.....	Water, Sewers and Schools.....	771,426.48
Sandwich West, Township of—Board of Trustees of Roman Catholic Union Separate School United Sections No. 2, 3, 4, 7 and 9.....	Schools.....	245,900.00
Sault Ste. Marie, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	225,000.00
Schreiber, Township of.....	Water.....	28,000.00
Schreiber, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	23,000.00
Sherrwood, Jones and Burns, Township of.....	Schools.....	36,400.00
Sixoux Lookout, Town of.....	Water and Sewers.....	197,100.00
Slaght, (Unorganized) Township of—Board of Trus- tees Public School Section No. 1 Umfreville.....	Schools.....	7,200.00
South River, Village of.....	Water.....	87,000.00
Stamford, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	116,400.00
Stamford, Township of.....	Water.....	983,000.00
Stouffville, Village of.....	Sewers.....	486,400.00
Strathroy, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	16,500.00
Surgeon Falls, Town of.....	Water and Sewers.....	100,900.00
Sudbury, City of.....	Water and Sewers.....	310,500.00
Sunnisdale, Township of.....	Schools.....	60,000.00
Sutton, Village of.....	Water.....	294,000.00
St. Clair Beach, Village of.....	Water and Schools.....	51,500.00
Therontorus, Township of.....	Water and Sewers.....	179,600.00
Thornhill, Township of.....	Water.....	71,900.00
Thornhill, Township of.....	Water.....	67,500.00
Thornhill, Township of.....	Sewers.....	10,100.00
Thornhill, Township of.....	Water, Sewers and Schools.....	22,700.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1958**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Thorold, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	\$ 110,900.00
Timmins, Town of.....	Sewers.....	52,600.00
Tisdale, Township of.....	Water and Sewers.....	350,800.00
Toronto, Township of.....	Water, Sewers and Schools	1,334,020.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	40,000.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	97,000.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	77,700.00
Toronto Gore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 6.....	Schools.....	38,900.00
Trafalgar, Township of.....	Sewers and Schools.....	878,000.00
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 13.....	Schools.....	138,100.00
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 18.....	Schools.....	145,600.00
Vespra, Township of.....	Schools.....	57,400.00
Wallaceburg, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	97,300.00
West Ferris, Township of.....	Water.....	45,000.00
Westminster, Township of.....	Sewers and Schools.....	149,000.00
Whitney, Township of.....	Sewers.....	33,100.00
Wicksteed, Township of.....	Schools.....	48,600.00
Widdifield, Township of.....	Water.....	46,800.00
Windsor, City of.....	Water.....	1,300,000.00
Windsor, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	388,200.00
Woodbridge, Village of.....	Water and Schools.....	175,900.00
Wyoming, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	38,900.00
York North, Township of.....	Water and Sewers.....	1,095,367.59
		<u>\$32,599,545.23</u>

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1957, TO MARCH 31, 1958**

DEPARTMENT	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL TO INTERIM INCREASE	DECREASE
Agriculture.....	\$ 1,282,000	\$ 1,279,542	\$	\$ 2,458
Attorney-General.....	5,216,000	5,997,492	781,492	
Economics.....	3,000	3,046	46	
Education.....	1,546,000	925,818		620,182
Health.....	4,363,000	4,637,768	274,768	
Highways.....	536,000	534,922		1,078
Insurance.....	454,000	429,821		24,179
Labour.....	697,000	726,593	29,593	
Lands and Forests.....	22,100,000	22,189,712	89,712	
Mines.....	11,089,000	11,177,033	88,033	
Municipal Affairs.....	322,000	318,870		3,130
Planning and Development.....		106,249	106,249	
Prime Minister.....		34	34	
Provincial Secretary.....	1,939,000	1,933,594		5,406
Public Welfare.....	25,000	25,096	96	
Public Works.....	224,000	252,879	28,879	
Reform Institutions.....	697,000	707,075	10,075	
Transport.....	51,570,000	52,641,979	1,071,979	
Travel and Publicity.....	26,000	26,080	80	
Treasury:				
Main Office—				
Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....		8,226	8,226	
Ontario Racing Commission.....	89,000	88,492		508
Liquor Control Board—				
Profits, etc.....	65,000,000	66,000,000	1,000,000	
Transfer Fees.....	600,000	672,601	72,601	
Public Utilities Tax.....	1,500,000	1,333,166		166,834
Comptroller of Revenue—				
Income Tax Rental Agreement..	74,379,000	74,379,000		
Corporations Tax.....	147,000,000	148,015,496	1,015,496	
Gasoline Tax.....	135,000,000	138,532,259	3,532,259	
Motor Vehicle Fuel Tax.....	5,000,000	4,728,806		271,194
Hospitals Tax.....	4,400,000	4,509,402	109,402	
Succession Duty.....	30,000,000	31,980,270	1,980,270	
Race Tracks Tax.....	4,643,000	4,642,836		164
Security Transfer Tax.....	2,700,000	2,631,481		68,519
Land Transfer Tax.....	3,200,000	3,413,192	213,192	
Law Stamps.....	1,300,000	1,358,160	58,160	
Logging Tax.....	1,250,000	1,663,180	413,180	
Miscellaneous.....		2,259	2,259	
Theatres Branch.....	256,000	264,587	8,587	
Total for Treasury.....	\$480,029,000	\$487,935,489	\$ 8,413,768	\$ 507,279
	<u>\$582,118,000</u>	<u>\$591,849,092</u>	<u>\$10,894,804</u>	<u>\$1,163,712</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1957, TO MARCH 31, 1958**

DEPARTMENT	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL To INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 12,735,000	\$ 12,335,550	\$	\$ 399,450
Attorney-General.....	17,552,000	17,332,913		219,087
Economics.....	246,000	232,940		13,060
Education.....	142,772,000	141,659,812		1,112,188
Health.....	69,145,000	65,965,085		3,179,915
Highways:				
Maintenance and Administration	67,219,000	64,425,985		2,793,015
Appropriation to Highway Con- struction Account.....	57,500,000	57,500,000		
Insurance.....	334,000	327,437		6,563
Labour.....	2,380,000	2,348,888		31,112
Lands and Forests.....	19,688,000	18,733,583		954,417
Lieutenant-Governor.....	20,000	19,615		385
Mines.....	1,600,000	1,570,701		29,299
Municipal Affairs.....	30,222,000	24,967,655		5,254,345
Planning and Development.....	2,990,000	2,499,202		490,798
Prime Minister.....	139,000	135,127		3,873
Provincial Auditor.....	381,000	371,203		9,797
Provincial Secretary.....	2,488,000	2,468,904		19,096
Public Welfare.....	35,520,000	36,143,215	623,215	
Public Works.....	9,578,000	9,096,776		481,224
Reform Institutions.....	9,681,000	9,379,320		301,680
Transport.....	2,861,000	2,810,060		50,940
Travel and Publicity.....	1,228,000	1,219,155		8,845
Treasury.....	9,167,000	9,318,588	151,588	
Stationery Account.....		162,469	162,469	
	<u>\$495,446,000</u>	<u>\$481,024,183</u>	<u>\$ 937,272</u>	<u>\$15,359,089</u>
Public Debt:				
Interest, Exchange, etc.....	29,292,000	29,125,879		166,121
Provision for Sinking Funds.....	17,833,000	17,833,000		
	<u>\$542,571,000</u>	<u>\$527,983,062</u>	<u>\$ 937,272</u>	<u>\$15,525,210</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	\$ 39,000,000	\$ 63,000,000	\$24,000,000	
	<u>\$581,571,000</u>	<u>\$590,983,062</u>	<u>\$24,937,272</u>	<u>\$15,525,210</u>

*9 months' actual—3 months' forecast.

COMPARATIVE SUMMARY

**NET INTERIM* AND ACTUAL ORDINARY REVENUE AND ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1957, TO MARCH 31, 1958**

	INTERIM	ACTUAL	ACTUAL To INTERIM
Net Ordinary Revenue.....	\$582,118,000	\$591,849,092	\$ 9,731,092
Less : Net Ordinary Expenditure (before items below).....	\$524,738,000	\$510,150,062	\$14,587,938
Provision for Sinking Funds.....	17,833,000	17,833,000	
Capital Disbursements on Highways, Public Works, etc. financed out of Ordinary Revenue.....	39,000,000	63,000,000	24,000,000
Net Ordinary Expenditure.....	<u>\$581,571,000</u>	<u>\$590,983,062</u>	<u>\$ 9,412,062</u>
Surplus.....	<u>\$ 547,000</u>	<u>\$ 866,030</u>	<u>\$ 319,030</u>

*9 months' actual—3 months' forecast.

COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1957, TO MARCH 31, 1958

DEPARTMENT	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Highways.....	\$ 720,000	\$ 762,463	\$ 42,463	\$
Labour.....	13,500,000	13,658,278	158,278	
Lands and Forests.....	425,000	490,718	65,718	
Mines.....	175,000	166,087		8,913
Planning and Development.....	710,000	864,263	154,263	
Provincial Secretary.....	16,500,000	16,853,871	353,871	
Public Welfare.....		48	48	
Public Works.....	70,000	71,915	1,915	
Transport.....	3,000,000	2,901,573		98,427
Treasury.....	86,612,000	90,347,863	3,735,863	
	<u>\$121,712,000</u>	<u>\$126,117,079</u>	<u>\$4,512,419</u>	<u>\$ 107,340</u>

*9 months' actual—3 months' forecast.

COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL DISBURSEMENTS FOR THE FISCAL YEAR APRIL 1, 1957, TO MARCH 31, 1958

DEPARTMENT	NET INTERIM CAPITAL DISBURSE- MENTS	NET ACTUAL CAPITAL DISBURSE- MENTS	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 950,000	\$ 861,190	\$	\$ 88,810
Highways.....	162,819,000	148,338,959		14,480,041
Labour.....	13,600,000	13,517,016		82,984
Lands and Forests.....	300,000	280,550		19,450
Mines.....	1,000,000	1,247,334	247,334	
Municipal Affairs.....	9,460,000	8,944,919		515,081
Planning and Development.....	10,900,000	7,759,378		3,140,622
Provincial Secretary.....	4,500,000	4,537,116	37,116	
Public Welfare.....		6,457	6,457	
Public Works.....	45,887,000	44,239,139		1,647,861
Transport.....	2,200,000	1,774,984		425,016
Treasury.....	17,727,000	13,039,718		4,687,282
	<u>\$269,343,000</u>	<u>\$244,546,760</u>	<u>\$ 290,907</u>	<u>\$25,087,147</u>
Less : Financed out of Ordinary Revenue.....	<u>39,000,000</u>	<u>63,000,000</u>	<u>24,000,000</u>	
	<u>\$230,343,000</u>	<u>\$181,546,760</u>	<u>\$23,709,093</u>	<u>\$25,087,147</u>

*9 months' actual—3 months' forecast.

TREASURY BOARD ORDERS

**STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE
AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS,
DURING THE FISCAL YEAR ENDED MARCH 31, 1958**

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	ORDINARY				
	Department of Agriculture				
	Main Office:				
	Removal Expenses of Officials:				
Aug. 7, 1957	Order.....	\$3,500.00			
Feb. 5, 1958	Order.....	1,000.00			
			4,500.00		3,596.87
	Workmen's Compensation Board—Awards and Costs:				
Mar. 26, 1958	Order.....	\$2,500.00			
April 15, 1958	Order.....	800.00			
			3,300.00		3,239.05
	Agricultural and Horticultural Societies Branch:				
Jan. 9, 1958	Judges' Services, Travelling and Other Expenses...	900.00			806.24
Jan. 9, 1958	Agricultural and Horticultural Meetings, etc.	950.00			947.13
Aug. 27, 1957	Grants under The Community Centres Act.	150,000.00			150,000.00
	Dairy Branch:				
	Milk Products Board of Ontario:				
Mar. 19, 1958	Salaries.....		1,600.00		1,074.44
	Extension Branch:				
	Agricultural Representative Service:				
Mar. 19, 1958	Salaries.....		2,000.00		1,824.55
	Travelling Expenses:				
Feb. 5, 1958	Order.....	\$1,000.00			
Mar. 26, 1958	Order.....	1,000.00			
			2,000.00		1,700.41
	County and District Offices:				
Mar. 19, 1958	Agricultural Representative Work, Services, Expenses and Equipment.		31,000.00		25,546.68
	Home Economics Service:				
Mar. 19, 1958	Salaries.....	10,000.00			9,843.49
Feb. 5, 1958	Maintenance.....	1,000.00			763.64
	Field Crops Branch:				
	Subventions:				
Dec. 17, 1957	Freight on Agricultural Lime.		10,000.00		5,870.62
	Fruit Branch:				
	Salaries:				
Mar. 19, 1958	Order.....	\$1,800.00			
April 15, 1958	Order.....	250.00			
			2,050.00		2,030.51
Sept. 10, 1957	Administration, etc., of The Plant Diseases Act, 1954, and of The Farm Products Grades and Sales Act, etc.		39,000.00		26,299.71

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Agriculture—Continued		
	Live Stock Branch:		
Mar. 19, 1958	Salaries.....	4,000.00	2,432.00
Sept. 10, 1957	Services and Expenses re Administration of The Stallions Act, etc.....	3,000.00	2,539.44
Feb. 5, 1958	Northern Ontario: District Veterinary Services and Assistance on Live Stock shipped to Northern Ontario.....	10,000.00	2,269.79
	Horticultural Experiment Station, Vineland:		
	Salaries:		
Mar. 19, 1958	Order.....\$2,300.00		
April 15, 1958	Order.....1,000.00	3,300.00	3,277.07
Feb. 5, 1958	Services, Travelling and Other Expenses.....	2,000.00	1,970.09
	Horticultural Products Laboratory:		
	Salaries:		
Feb. 5, 1958	Order.....\$ 500.00		
Mar. 19, 1958	Order.....1,700.00	2,200.00	2,111.81
	Ontario Agricultural College, Guelph:		
Mar. 19, 1958	Salaries.....	49,000.00	47,952.58
	Ontario Veterinary College, Guelph:		
	Salaries:		
Feb. 5, 1958	Order.....\$12,000.00		
Mar. 19, 1958	Order.....26,300.00	38,300.00	38,144.64
	Apparatus, Telephone Service, Maintenance, etc.:		
Feb. 5, 1958	Order.....\$24,000.00		
Mar. 19, 1958	Order.....2,500.00	26,500.00	26,476.96
Mar. 19, 1958	Research Investigation and Extension Work, etc..	3,600.00	3,566.30
Mar. 19, 1958	Extension (Regional Office and Laboratories) . . .	1,500.00	1,361.52
Mar. 19, 1958	Kemptville Unit.....	700.00	690.38
Mar. 19, 1958	Ridgetown Unit.....	300.00	297.97
	Disease Prevention, Experimental Disease Station (Farm).....	150.00	147.94
	Western Ontario Agricultural School and Experimental Farm, Ridgetown:		
	Salaries:		
Feb. 5, 1958	Order.....\$4,000.00		
Mar. 19, 1958	Order.....3,100.00	7,100.00	6,786.15
April 15, 1958	Purchase of Stock and Equipment.....	1,500.00	1,483.10
	Ontario Junior Farmer Loan Branch:		
Oct. 16, 1957	Maintenance.....	3,000.00	2,878.65
Nov. 19, 1957	Services, Fees and Other Expenses.....	10,000.00	7,793.75
		424,450.00	385,723.58
	Department of Attorney-General		
	Main Office:		
Feb. 12, 1958	Salaries.....	17,000.00	13,970.78
	Supreme Court of Ontario:		
Feb. 12, 1958	Master's Office, Salaries.....	6,000.00	4,165.22
Feb. 12, 1958	Registrar's Office, Salaries.....	2,500.00	1,570.20

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Attorney-General—Continued		
Feb. 12, 1958	Supreme Court Reporters: Travelling Expenses.....	6,000.00	2,568.32
	Criminal Justice Accounts: Districts: Salaries:		
Feb. 12, 1958	Order.....\$139,000.00		
April 15, 1958	Order.....5,000.00	144,000.00	142,533.96
	General Administration of Justice:		
Feb. 12, 1958	Order.....\$100,000.00		
Mar. 14, 1958	Order.....75,000.00	175,000.00	171,997.36
	Magistrates and Juvenile Courts:		
Feb. 12, 1958	Travelling Expenses and Contingencies.....	12,000.00	9,732.02
	Reimbursement of Salaries of Judges and Court Officials:		
Feb. 12, 1958	Maintenance of Offices—Judicial Districts...	5,000.00	4,728.62
	Crime Detection Laboratory:		
Feb. 12, 1958	Salaries.....	2,500.00	871.91
Dec. 17, 1957	Maintenance.....	6,000.00	5,999.47
	Public Trustee's Office:		
Jan. 14, 1958	Auditor's Fees.....	9,500.00	9,500.00
	Official Guardian's Office:		
Feb. 12, 1958	Salaries.....	7,500.00	5,219.57
	Administration of The Matrimonial Causes Act:		
Feb. 12, 1958	Salaries.....	1,000.00	28.11
Feb. 12, 1958	Special Services—Children's Aid Societies.....	10,000.00	3,400.00
	Fire Marshal's Office:		
Feb. 12, 1958	Salaries.....	9,000.00	3,130.15
	Inspector of Legal Offices:		
Feb. 12, 1958	Inspector's Office:		
	Salaries.....	2,000.00	491.13
	Local Masters of Titles and Registrars of Deeds:		
Feb. 12, 1958	Salaries.....	14,000.00	11,074.70
Dec. 17, 1957	Maintenance.....	7,000.00	6,993.29
	Sheriffs, et al:		
Feb. 12, 1958	Salaries.....	75,000.00	69,299.02
	Judicial Offices in Districts:		
Feb. 12, 1958	Maintenance.....	5,000.00	4,999.96
	Ontario Securities Commission:		
Mar. 26, 1958	Maintenance.....	1,500.00	1,322.99
		517,500.00	473,596.78
	Department of Education		
	Elementary Education Branch:		
Mar. 14, 1958	Salaries.....	64,000.00	54,974.39
Mar. 14, 1958	Travelling and District Office Expenses.....	30,000.00	19,532.51
	Secondary Education Branch:		
Mar. 14, 1958	Travelling and District Office Expenses.....	2,000.00	1,975.89
	Teacher Education Branch:		
Mar. 14, 1958	Salaries.....	80,000.00	55,323.04

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Education—Continued		
Aug. 27, 1957	Registrar's Branch: Departmental Examinations	34,000.00	26,682.57
Mar. 14, 1958	Curriculum and Text-Books Branch: Salaries	2,500.00	2,059.84
Feb. 5, 1958	Other Educational Services: Community Programmes: Training in Citizenship for Adults— Services, Expenses, etc.	10,000.00	8,671.38
Mar. 14, 1958	Legislative Grants, etc.: Assistance in Payment of Cost of Education for Retarded Children	30,000.00	29,898.50
		252,500.00	199,118.12
	Department of Health		
Mar. 26, 1958	Main Office: Travelling Expenses	2,000.00	1,844.77
Mar. 26, 1958	Maintenance	10,000.00	1,100.78
Mar. 19, 1958	Public Health Education	300.00	282.90
Feb. 12, 1958	Hospitalization for Indigent Immigrants	50,000.00	21,922.15
Mar. 19, 1958	Grants: Metropolitan General Hospital—Windsor	2,523.00	2,338.12
July 23, 1957	Canadian Red Cross Society	50,000.00	50,000.00
Dec. 3, 1957	Cancer Control: Expenses under The Cancer Remedies Act: Travelling Expenses	500.00	2.65
Mar. 26, 1958	Health Units Branch: Special Health Services authorized by the Minister, etc.	55,000.00	47,821.32
Mar. 19, 1958	Nursing Branch: Salaries	1,000.00	816.71
Mar. 26, 1958	Tuberculosis Prevention Branch: Travelling Expenses	3,000.00	2,381.37
Mar. 26, 1958	Maintenance	14,000.00	13,994.95
Mar. 26, 1958	Tuberculosis Prevention Clinics: Travelling Expenses	1,000.00	974.55
Mar. 26, 1958	Maintenance	7,000.00	6,994.37
Mar. 19, 1958	Laboratory Branch: Salaries	26,000.00	15,674.26
Mar. 26, 1958	Maintenance	25,000.00	21,566.49
Mar. 26, 1958	Mental Health Branch: General Expenses: Workmen's Compensation Board—Awards and Costs	21,000.00	18,906.05
Dec. 3, 1957	Removal Expenses of Officials in connection with the Ontario Hospitals: Order	\$5,000.00	
Feb. 12, 1958	Order	5,000.00	
		10,000.00	9,994.33

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Health—Continued		
	Mental Health Branch—Continued		
Mar. 19, 1958	Ontario Hospitals: Salaries.....	260,000.00	255,347.13
Feb. 5, 1958	Hospital Services Commission of Ontario: Salaries.....	70,000.00	46,356.14
Nov. 19, 1957	Maintenance.....	200,000.00	197,687.20
		808,323.00	716,006.24
	Department of Insurance		
Dec. 17, 1957	Salaries:		
Mar. 14, 1958	Order.....\$6,000.00		
	Order.....2,000.00		
		8,000.00	7,093.11
Dec. 17, 1957	Travelling Expenses.....	6,000.00	5,089.70
Dec. 17, 1957	Maintenance.....	6,000.00	4,253.96
		20,000.00	16,436.77
	Department of Labour		
	Main Office:		
Feb. 12, 1958	Salaries.....	7,000.00	3,024.85
Dec. 17, 1957	Maintenance.....	7,000.00	6,779.80
Dec. 17, 1957	Conciliation Boards (Commissioners, etc.).....	30,000.00	24,641.13
June 19, 1957	Miscellaneous Grants.....	5,000.00	3,400.00
July 30, 1957	Industry and Labour Board: Bank charges re Vacation-with-Pay Stamps.....	40,000.00	23,231.25
	Apprenticeship Branch:		
Dec. 17, 1957	Salaries:		
Feb. 12, 1958	Order.....\$8,000.00		
	Order.....4,000.00		
		12,000.00	646.60
Dec. 17, 1957	Travelling Expenses.....	1,000.00	681.33
Dec. 17, 1957	Maintenance.....	2,000.00	1,925.79
	Boiler Inspection Branch:		
Dec. 17, 1957	Salaries:		
Feb. 12, 1958	Order.....\$4,000.00		
	Order.....4,000.00		
		8,000.00	7,668.13
Dec. 17, 1957	Travelling Expenses.....	5,000.00	4,985.99
	Factory Inspection Branch:		
Dec. 17, 1957	Salaries:		
Feb. 12, 1958	Order.....\$3,000.00		
	Order.....2,000.00		
		5,000.00	4,800.09
	Board of Examiners of Operating Engineers:		
Feb. 12, 1958	Salaries.....	3,000.00	550.72
Dec. 17, 1957	Travelling Expenses.....	1,000.00	950.34

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Labour—Continued		
Feb. 12, 1958	Minimum Wage Branch: Salaries.....	500.00	109.98
	Labour Relations Board: Salaries:		
Dec. 17, 1957	Order.....		
Feb. 12, 1958	Order.....	7,000.00	3,151.04
		4,000.00	
Dec. 17, 1957	Maintenance.....	10,000.00	9,523.55
	Office of Athletics Commissioner:		
Feb. 12, 1958	Salaries.....	500.00	163.96
	Assistance to Amateur Sport:		
Dec. 17, 1957	Order.....		
Feb. 12, 1958	Order.....	\$5,000.00	
		1,000.00	
		6,000.00	5,229.86
		150,000.00	101,464.41
	Department of Lands and Forests		
	Main Office:		
Mar. 26, 1958	Travelling Expenses.....	5,000.00	2,499.81
April 15, 1958	Workmen's Compensation Board— Awards and Costs.....	2,250.00	2,245.21
	Field Services:		
	Basic Organization—District Offices (including Provincial Parks, etc.):		
Feb. 19, 1958	Maintenance and Operating.....	500,000.00	181,626.93
	Extra Fire Fighting:		
Oct. 16, 1957	Salaries, etc., Maintenance and Operating.....	200,000.00	139,585.77
		707,250.00	325,957.72
	Department of Mines		
	Main Office:		
April 9, 1958	Maintenance.....	10,000.00	9,866.47
	The Ontario Fuel Board:		
	Maintenance:		
Nov. 14, 1957	Order.....	\$12,000.00	
April 9, 1958	Order.....	1,500.00	
		13,500.00	12,770.70
		23,500.00	22,637.17
	Department of Municipal Affairs		
	Main Office:		
	Grants to Municipalities:		
Jan. 9, 1958	Payments to "Mining Municipalities".....	450,000.00	276,313.20
	Ontario Municipal Board:		
Dec. 3, 1957	Maintenance.....	15,000.00	8,642.04
		465,000.00	284,955.24

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Planning and Development				
Feb. 19, 1958	Main Office: Salaries.....	1,800.00		1,656.72	
Feb. 19, 1958	Conservation Branch: Salaries.....	6,500.00		6,019.91	
Feb. 19, 1958	Trade and Industry Branch: Ontario Research Foundation: For Research Projects and Activities, etc.....	30,000.00		20,596.16	
		38,300.00		28,272.79	
	Department of Provincial Secretary				
Feb. 12, 1958	Office of the Speaker: Travelling Expenses.....	1,000.00		993.07	
Feb. 12, 1958	Clerk of the Legislative Assembly and Chief Election Officer: Salaries.....	1,500.00		1,432.42	
Nov. 19, 1957	Maintenance.....	2,500.00		2,047.84	
April 9, 1958	Sessional Requirements: Clerks of Committees, Sergeant-at-Arms, Messengers, Pages, Sessional Writers, etc.....	6,000.00		2,436.67	
June 25, 1957	Committee Fees, etc.: Order.....\$25,000.00				
Nov. 19, 1957	Order.....25,000.00				
Feb. 12, 1958	Order.....25,000.00				
		75,000.00		65,456.37	
Feb. 12, 1958	Civil Service Commission: Salaries.....	30,000.00		20,649.46	
Feb. 12, 1958	Maintenance.....	3,000.00		2,899.15	
Feb. 12, 1958	Public Service Superannuation Fund: Administrative Charges.....	15,000.00		14,870.95	
		134,000.00		110,785.93	
	Department of Public Welfare				
Feb. 5, 1958	Main Office: Travelling Expenses.....	1,500.00		374.09	
Feb. 5, 1958	Maintenance.....	5,368.00		4,981.48	
Feb. 5, 1958	Workmen's Compensation Board— Awards and Costs.....	1,000.00		996.47	
Jan. 14, 1958	Child Welfare Branch: Travelling Expenses.....	1,500.00		658.75	
Jan. 14, 1958	Services, Expenses, Grants, etc., under The Child Welfare Act, 1954.....	310,000.00		309,951.89	
Feb. 19, 1958	Mothers' Allowances Branch: Allowances.....	475,000.00		447,400.87	
Feb. 19, 1958	Medical Services.....	2,500.00		1,617.75	
Feb. 5, 1958	Old Age Assistance Branch: Old Age Assistance and Allowances for Blind Persons.....	600,000.00		530,493.02	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Welfare—Continued		
	Field Services Branch:		
Feb. 5, 1958	Salaries.....	42,000.00	39,804.61
Feb. 5, 1958	Travelling Expenses.....	10,000.00	1,881.09
Feb. 5, 1958	Maintenance.....	5,000.00	4,609.07
	Homes for the Aged Branch:		
	Grants:		
Feb. 5, 1958	Refuges—Aid for Maintenance.....	3,500.00	1,112.00
Feb. 5, 1958	Subsidies on Operation and Maintenance Costs.....	1,732,000.00	1,665,218.23
Feb. 5, 1958	Disabled Persons' Allowances Branch:		
	Allowances in accordance with The Disabled Persons' Allowances Act.....	491,000.00	462,831.43
		3,680,368.00	3,471,930.75
	Department of Public Works		
	Main Office:		
Mar. 19, 1958	Maintenance.....	10,000.00	2,199.42
Feb. 5, 1958	Workmen's Compensation Board—		
	Awards and Costs.....	25,000.00	24,904.09
Feb. 26, 1958	Unemployment Insurance Stamps.....	25,000.00	20,165.80
	Public Buildings—Maintenance and Repairs:		
	Lieutenant-Governor's Apartment:		
Mar. 19, 1958	Maintenance.....	1,000.00	603.96
	Legislative and Departmental Buildings:		
	Administrative Services:		
Feb. 26, 1958	Telephone Service.....	50,000.00	28,111.15
	Ontario Government Branch Office Buildings:		
Feb. 12, 1958	Rental and Caretaking of Leased Premises and Expenses in connection therewith.....	165,000.00	88,109.95
	Miscellaneous:		
Feb. 5, 1958	Preparing and Installing Exhibits for Government Departments, etc.....	5,000.00	2,376.46
		281,000.00	166,470.83
	Department of Reform Institutions		
	Main Office:		
	Unemployment Insurance Stamps:		
Jan. 14, 1958	Order.....	\$1,000.00	
April 9, 1958	Order.....	1,000.00	
		2,000.00	1,709.74
	Workmen's Compensation Board—		
Oct. 8, 1957	Awards and Costs.....	12,000.00	6,550.05
April 15, 1958	Grants.....	5,000.00	4,210.10
	Board of Parole:		
April 14, 1958	Allowance and Expenses for Parole Board.....	5,000.00	3,171.50
	Institutions (Ontario Reformatories, Industrial Farms and Training Schools):		
Feb. 19, 1958	Salaries.....	415,000.00	339,874.01
		439,000.00	355,515.40

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Transport		
	Motor Vehicles Branch:		
Feb. 12, 1958	Salaries.....	200,000.00	168,748.92
Feb. 12, 1958	Travelling Expenses.....	25,000.00	22,957.71
Mar. 26, 1958	Maintenance.....	45,000.00	29,788.21
		270,000.00	221,494.84
	Department of Travel and Publicity		
	Main Office:		
Dec. 17, 1957	The Archaeological and Historic Sites Protection Act, 1953.....	10,000.00	9,042.4
	Division of Publicity:		
Dec. 17, 1957	Publications and Publicity.....	30,000.00	29,165.5
	Information Branch:		
	Salaries:		
Dec. 17, 1957	Order.....\$3,000.00		
Feb. 5, 1958	Order.....2,500.00	5,500.00	5,448.6
Dec. 17, 1957	Operation of Official Reception Centres, etc., including Purchase and Rental of Equipment, etc.	5,000.00	4,994.7
	Photography Branch:		
Dec. 17, 1957	Travelling Expenses.....	2,000.00	1,149.9
		52,500.00	49,801.2
	Treasury Department		
	Main Office:		
Jan. 21, 1958	Miscellaneous Grants.....	6,000.00	5,057.0
	Comptroller of Revenue:..		
Mar. 26, 1958	Maintenance.....	40,000.00	23,167.5
	Post Office:		
Jan. 21, 1958	Salaries.....	1,000.00	850.4
	Postage and Maintenance:		
Sept. 17, 1957	Order.....\$25,000.00		
Jan. 21, 1958	Order.....7,500.00		
Mar. 26, 1958	Order.....15,000.00	47,500.00	46,230.7
	Tabulating Branch:		
Jan. 21, 1958	Salaries.....	2,000.00	1,890.8
Oct. 1, 1957	Maintenance.....	15,000.00	12,905.8
		111,500.00	90,102.5
	Total Ordinary Treasury Board Orders	8,375,191.00	7,020,270.3

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	CAPITAL		
	Department of Highways		
April 24, 1958	Construction and Other Capital Projects: Municipal Subsidies (The Highway Improvement Act, 1957, Secs. 46, 50, 54, 55, 56, 62, 70, 73, 74, 77 and Municipality of Metropolitan Toronto Act, Section 78).....	200,000.00	188,766.83
	Department of Labour		
	Industry and Labour Board: Payment of Claims re Vacation-with-Pay Stamps: Order.....\$2,000,000.00 Sept. 17, 1957 Order.....500,000.00 Oct. 31, 1957 Order.....500,000.00 Feb. 12, 1958 Order.....100,000.00	3,100,000.00	3,017,015.81
	Department of Mines		
April 9, 1958	Main Office: Construction of Mining and Access Roads.....	250,000.00	247,334.57
	Department of Public Welfare		
eb. 5, 1958	Old Age Assistance Branch: Old Age Assistance and Allowances for Blind Persons.....	688,000.00	650,309.41
eb. 5, 1958	Disabled Persons' Allowances Branch: Allowances in accordance with The Disabled Persons' Allowances Act.....	516,000.00	490,853.78
		1,204,000.00	1,141,163.19
	Total Capital Treasury Board Orders	4,754,000.00	4,594,280.40
	Total Treasury Board Orders.....	13,129,191.00	11,614,550.77

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR ENDED MARCH 31, 1958

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Education		
May 2, 1957	Payment of a Special Grant of \$3.00 per Pupil of average daily attendance in Elementary Schools in 1956.....	3,000,000.00	2,417,043.14
Sept. 4, 1957	Maintenance Grant, to the Lakehead College of Arts, Science and Technology to assist with operating costs from August 1, 1957 to March 31, 1958....	50,000.00	50,000.00
		3,050,000.00	2,467,043.14
	Department of Municipal Affairs		
Dec. 5, 1957	Assistance towards reducing the cost suffered as a result of the tornado which struck the Township of Mountjoy.....	1,918.70	1,918.70
	Department of Prime Minister		
Jan. 9, 1958	Canteen Supplies for Her Majesty's Forces stationed in Ontario and Overseas.....	14,000.00	13,285.06
	Department of Public Welfare		
Aug. 8, 1957	Skead Fire Relief Fund for assisting in the re-establishment of the families in the Skead area who lost their homes and possessions in the forest fire of May, 1957.....	21,657.35	21,657.35
Dec. 19, 1957	Young Women's Christian Association of Toronto re-assisting in the construction of a new residence on Woodlawn Ave. East, Toronto, and particularly, with the furnishing of a unit to provide temporary accommodation for indigent transient young women.....	16,000.00	16,000.00
		37,657.35	37,657.35
	Total Special Warrants	3,103,576.05	2,519,904.25

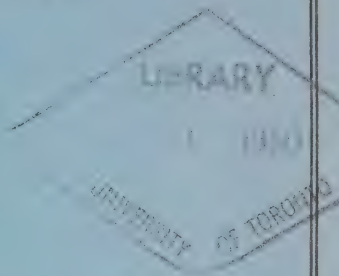
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Ontario Revenue Service

PROVINCIAL AUDITOR'S REPORT

1958-59



PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY
1960

PROVINCIAL AUDITOR'S REPORT

1958-59

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
SESSIONAL PAPER No. 3, 1960



ONTARIO

TORONTO
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1960

TO THE HONOURABLE JOHN KEILLER MACKAY, D.S.O., V.D., LL.D.,
Lieutenant-Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1959, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
Toronto, November 24, 1959.

REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1959, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1958 - 1959

I have the honour to report to the Legislative Assembly on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1959, in accordance with the requirements of The Audit Act.

The Balance Sheet of the Province of Ontario as at March 31, 1959, the Statements of Revenue and Expenditure for the year ended on that date, and other related statements published in the Public Accounts, were compared with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications made in this report, in my opinion, and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in conformity with accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1959, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been used as in previous years, and the Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1959, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1958-59

The Honourable Leslie M. Frost, Q.C., LL.D., as Treasurer of Ontario, in his address to the Legislative Assembly of Ontario on February 26, 1958, presented budget forecasts of ordinary revenue and expenditure and of capital receipts and disbursements for the fiscal year ended March 31, 1959, and the Honourable James N. Allan, as Treasurer of Ontario, in his address to the Legislative Assembly of Ontario on February 25, 1959, presented interim statements of ordinary revenue and expenditure and of capital receipts and disbursements for the same fiscal year, consisting of nine months' actual results and three months' forecast.

The statements which follow compare the budget forecasts with the actual results for the fiscal year ended March 31, 1959. Comparative summaries of the interim statements (nine months' actual and three months' forecast) and the actual results are appended to this report together with certain other statements and charts presenting information on the financial operations of the Province as detailed on pages 31-32 of this report.

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1958, TO MARCH 31, 1959**

DEPARTMENT	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 1,290,000	\$ 1,526,610	\$ 236,610	\$
Attorney-General.....	5,328,000	6,213,722	885,722	
Economics.....		1,215	1,215	
Education.....	1,616,000	2,577,321	961,321	
Health.....	4,370,000	4,151,654		218,346
Highways.....	556,000	849,927	293,927	
Insurance.....	454,000	497,122	43,122	
Labour.....	679,000	748,685	69,685	
Lands and Forests.....	18,723,000	19,512,132	789,132	
Mines.....	15,483,000	8,749,309		6,733,691
Municipal Affairs.....	282,000	336,726	54,726	
Planning and Development.....		6,690	6,690	
Prime Minister.....		42	42	
Provincial Secretary.....	1,928,000	2,240,052	312,052	
Public Welfare.....		68,829	68,829	
Public Works.....	217,000	266,194	49,194	
Reform Institutions.....	712,000	704,314		7,686
Transport.....	53,000,000	56,892,872	3,892,872	
Travel and Publicity.....	276,000	253,694		22,306
Treasury:				
Main Office—Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....		7,488	7,488	
Ontario Racing Commission.....	107,000	116,800	9,800	
The Liquor Control Board of Ontario—				
Profits, etc.....	65,000,000	76,000,000	11,000,000	
Transfer Fees.....	600,000	538,570		61,430
Public Utilities Tax.....	1,200,000	1,589,708	389,708	
Comptroller of Revenue—				
Income Tax Rental Agreement	87,000,000	89,928,000	2,928,000	
Corporations Tax.....	147,000,000	158,783,059	11,783,059	
Gasoline Tax.....	140,000,000	145,912,609	5,912,609	
Motor Vehicle Fuel Tax.....	5,000,000	5,518,182	518,182	
Hospitals Tax.....	4,000,000	4,409,096	409,096	
Succession Duty.....	26,000,000	33,518,051	7,518,051	
Race Tracks Tax.....	4,500,000	5,202,974	702,974	
Security Transfer Tax.....	2,500,000	2,553,757	53,757	
Land Transfer Tax.....	3,000,000	4,174,180	1,174,180	
Law Stamps.....	1,200,000	1,440,251	240,251	
Logging Tax.....	1,500,000	1,687,611	187,611	
Miscellaneous.....		1,410	1,410	
Water Rentals.....	1,960,000	1,683,301		276,699
Total for Treasury.....	\$494,279,000	\$536,777,123	\$42,836,312	\$ 338,189
	<u>\$599,193,000</u>	<u>\$642,374,233</u>	<u>\$50,501,451</u>	<u>\$ 7,320,218</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1958, TO MARCH 31, 1959**

DEPARTMENT	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 14,075,000	\$ 13,872,489	\$	\$ 202,511
Attorney-General.....	18,539,000	18,445,796		93,204
Economics.....	334,000	279,733		54,267
Education.....	177,329,000	176,519,991		809,009
Health.....	72,694,000	76,983,395	4,289,395	
Highways:				
Maintenance and Administration	73,209,000	68,226,243		4,982,757
Appropriation to Highway Con- struction Account.....	20,000,000	45,000,000	25,000,000	
Insurance.....	399,000	362,918		36,082
Labour.....	2,723,000	2,647,196		75,804
Lands and Forests.....	21,801,000	20,259,830		1,541,170
Lieutenant-Governor.....	21,000	20,575		425
Mines.....	1,590,000	1,475,104		114,896
Municipal Affairs.....	27,601,000	26,772,581		828,419
Planning and Development.....	3,572,000	3,234,756		337,244
Prime Minister.....	157,000	192,918	35,918	
Provincial Auditor.....	440,000	389,405		50,595
Provincial Secretary.....	2,998,000	2,987,431		10,569
Public Welfare.....	42,828,000	41,920,231		907,769
Public Works.....	11,605,000	10,793,940		811,060
Reform Institutions.....	12,188,000	11,376,953		811,047
Transport.....	3,815,000	3,604,217		210,783
Travel and Publicity.....	1,730,000	1,519,791		210,209
Treasury.....	9,491,000	10,797,562	1,306,562	
Stationery Account.....		102,109	102,109	
	<u>\$519,139,000</u>	<u>\$537,785,164</u>	<u>\$30,733,984</u>	<u>\$12,087,820</u>
Public Debt:				
Interest, etc.....	38,833,000	32,343,999		6,489,001
Provision for Sinking Funds....	17,941,000	17,941,000		
Total Budget.....	<u>\$575,913,000</u>	<u>\$588,070,163</u>	<u>\$30,733,984</u>	<u>\$18,576,821</u>
Capital Disbursements on Highways, Public Works, etc., to be financed out of Ordinary Revenue.....	23,000,000	54,000,000	31,000,000	
	<u>\$598,913,000</u>	<u>\$642,070,163</u>	<u>\$61,733,984</u>	<u>\$18,576,821</u>

COMPARATIVE SUMMARY

**BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1958, TO MARCH 31, 1959**

	BUDGET	ACTUAL	ACTUAL To BUDGET
Net Ordinary Revenue.....	<u>\$599,193,000</u>	<u>\$642,374,233</u>	<u>\$43,181,233</u>
Less: Net Ordinary Expenditure (before items below).....	<u>\$557,972,000</u>	<u>\$570,129,163</u>	<u>\$ 12,157,163</u>
Provision for Sinking Funds.....	17,941,000	17,941,000	
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	23,000,000	54,000,000	31,000,000
Net Ordinary Expenditure.....	<u>\$598,913,000</u>	<u>\$642,070,163</u>	<u>\$43,157,163</u>
Surplus.....	<u>\$ 280,000</u>	<u>\$ 304,070</u>	<u>\$ 24,070</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1958, TO MARCH 31, 1959**

DEPARTMENT	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Education:				
Provincial Student-Aid Loans.....	\$	\$ 1,006	\$ 1,006	\$
Health:				
Sale of Radium.....		56,060	56,060	
Highways:				
Sale of Property.....	755,000	1,228,365	473,365	
Contract Security Deposits.....		10,398	10,398	
Other.....		86,905	86,905	
Labour:				
Vacation-with-Pay Stamps.....	14,000,000	10,531,703		3,468,297
Other.....		600	600	
Lands and Forests:				
Land Sales.....	440,000	551,088	111,088	
Logging Roads.....		174,287	174,287	
Contract Security Deposits.....		7,200	7,200	
Mines:				
Mining Land Sales.....	150,000	77,938		72,062
Municipal Affairs:				
Recovery of Advances.....	50,000			50,000
Planning and Development:				
The Housing Development Act—				
Recovery of Advances, etc.....	700,000	1,189,207	489,207	
The Ontario-St. Lawrence Develop-				
ment Commission.....		1,947	1,947	
Other.....		317	317	
Provincial Secretary:				
Public Service Superannuation Fund	17,000,000	18,842,927	1,842,927	
Public Service Retirement Fund....	1,070,000	1,120,665	50,665	
Public Welfare:				
Old Age Assistance Branch, etc.....		6,457	6,457	
Public Works:				
Sale of Property.....		342,613	342,613	
Other.....		2,792	2,792	
Transport:				
Unsatisfied Judgment Fund:				
Fees, etc.....	3,000,000	3,872,504	872,504	
Treasury:				
Appropriations from Ordinary				
Account—				
Highway Construction Account...	20,000,000	45,000,000	25,000,000	
Provision for Sinking Funds.....	17,941,000	17,941,000		
Loans and Advances—				
Sundry Loans and Advances.....	2,226,000	24,702,993	22,476,993	
Accountable Funds—Contra.....	4,000,000			4,000,000
Special Funds.....	423,000	859,329	436,329	
Premium, Discount, and Foreign				
Exchange on Debentures.....	994,000	3,183,046	2,189,046	
Water Power Rentals.....		2,796,413	2,796,413	
Other.....		78,202	78,202	
	<u>\$82,749,000</u>	<u>\$132,665,962</u>	<u>\$57,507,321</u>	<u>\$7,590,351</u>

COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL DISBURSEMENTS FOR THE FISCAL YEAR APRIL 1, 1958, TO MARCH 31, 1959

DEPARTMENT	BUDGET CAPITAL DISBURSE- MENTS	NET ACTUAL CAPITAL DISBURSE- MENTS	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture:				
Co-operative Loans.....	\$ 750,000	\$ 435,368	\$	\$ 314,632
Revolving fund for The Ontario Telephone Development Corporation.....	200,000	37,300		162,700
Education:				
Provincial Student-Aid Loans.....	3,000,000	545,620		2,454,380
Highways:				
Highway Construction.....	77,700,000	62,207,826		15,492,174
Highway Construction charged to Highway Construction Account.....	57,500,000	57,500,000		
Development and Other Roads.....	7,400,000	7,108,275		291,725
Municipal Subsidies.....	37,000,000	32,494,775		4,505,225
Contingencies.....	35,000	10,116		24,884
Labour:				
Vacation-with-Pay Stamps.....	14,000,000	12,558,226		1,441,774
Inds and Forests:				
Logging Roads.....	300,000	77,757		222,243
Forest Access Roads.....	500,000	1,022,225	522,225	
Land and Buildings, etc. for Provincial Parks	3,000,000	3,067,486	67,486	
Mines:				
Mining and Access Roads.....	1,000,000	812,047		187,953
Municipal Affairs:				
Mining Townsites.....	500,000			500,000
Improvement Districts—Advances, and Purchase of Debentures.....	2,860,000	2,106,000		754,000
Planning and Development:				
The Housing Development Act.....	5,500,000	3,928,201		1,571,799
Conservation.....	4,175,000	940,584		3,234,416
The Ontario-St. Lawrence Development Commission.....	2,800,000	2,489,681		310,319
Provincial Secretary:				
Public Service Superannuation Fund.....	3,900,000	4,130,896	230,896	
Public Service Retirement Fund.....	700,000	1,024,846	324,846	
Public Welfare:				
Eld Age Assistance Branch, etc.....		6,911	6,911	
Public Works:				
Purchase of Property and Construction of Buildings.....	50,000,000	39,662,860		10,337,140
Dams, Docks and Drainage Works.....	870,000	710,104		159,896
Ontario Water Resources Commission.....	15,000,000	9,137,264		5,862,736
Other.....	220,000	261,451	41,451	
Transport:				
Unsatisfied Judgment Fund—Judgments, etc.	3,000,000	3,138,402	138,402	
Treasury:				
Accountable Funds—Contra.....	4,000,000			4,000,000
Registry Office Surplus Fees.....	150,000	458,478	308,478	
Guaranteed Debentures S.W. & A. Rly. Co. —Interest.....	148,500	148,403		97
Drainage Debentures.....	699,500	1,001,300	301,800	
Canadian (The Northern Ontario Pipe Line Act) The Hydro-Electric Power Commission of Ontario—Special Advances.....	27,000,000	75,000,000	75,000,000	27,000,000
The Ontario Municipal Improvement Cor- poration—Advances.....		8,600,000	8,600,000	
Government of Canada—Repavment under Tax Rental Agreement 1952-56.....		4,567,365	4,567,365	
Assistance for Rural Power Transmission Lines.....	1,500,000	1,454,157		45,843
Other.....	150,000	151,487	1,487	
	<u>\$325,558,000</u>	<u>\$336,795,411</u>	<u>\$90,111,347</u>	<u>\$78,873,936</u>
Le: Financed out of Ordinary Revenue.....	23,000,000	54,000,000	31,000,000	
	<u>\$302,558,000</u>	<u>\$282,795,411</u>	<u>\$59,111,347</u>	<u>\$78,873,936</u>

Estimated gross expenditure for the year shown on page 5 of the 1959 estimates was \$932,946,000. This amount does not include Supplementary Estimates of \$37,442,000 voted by the Legislature at the 1959 session. Taking the Supplementary Estimates into account the total Estimates for the year amounted to \$970,388,000. The actual gross expenditure was \$961,641,767, a net decrease of \$8,746,233.

In the Budget Statement presented by the Provincial Treasurer on February 26, 1958, as shown in the Statement of Current Operations on page 53, it was provided that \$81,895,000 of Capital Disbursements less \$58,895,000 of Capital Receipts, being a net amount of \$23,000,000 would be financed out of Ordinary Revenue. The actual net revenue of the Province for the Fiscal Year ended March 31, 1959, permitted \$54,000,000 to be applied for this purpose, an increase of \$31,000,000 from the forecast amount of \$23,000,000.

The following analysis summarizes the net decrease in gross actual from total estimated gross expenditure.

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1959**

CLASSIFICATION	TOTAL ESTIMATES	GROSS ACTUAL	GROSS ACTUAL OVER ESTIMATES	GROSS ACTUAL UNDER ESTIMATES
Ordinary—				
Voted—				
Main Estimates.....	\$499,008,500			
Supplementary.....	37,442,000			
	<u>\$536,450,500</u>	<u>\$515,505,726</u>		<u>\$20,944,774</u>
Statutory.....	97,037,500	96,701,900		335,600
Special Warrants.....		1,311,014	\$ 1,311,014	
Capital Disbursements financed out of Ordinary Revenue....	23,000,000	54,000,000	31,000,000	
	<u>\$656,488,000</u>	<u>\$667,518,640</u>	<u>\$32,311,014</u>	<u>\$21,280,374</u>
Capital—				
Voted—				
Main Estimates.....	\$242,152,000	\$190,947,793		\$51,204,207
Statutory.....	94,748,000	157,175,334	\$62,427,334	
	<u>\$336,900,000</u>	<u>\$348,123,127</u>	<u>\$62,427,334</u>	<u>\$51,204,207</u>
Deduct—				
Capital Disbursements financed out of Ordinary Revenue...	23,000,000	54,000,000	31,000,000	
	<u>\$313,900,000</u>	<u>\$294,123,127</u>	<u>\$31,427,334</u>	<u>\$51,204,207</u>
	<u>\$970,388,000</u>	<u>\$961,641,767</u>	<u>\$63,738,348</u>	<u>\$72,484,58</u>

**Summary of Net Increases or Decreases in Gross Actual as compared
with Total Estimates of Gross Expenditure**

CLASSIFICATION	INCREASE	DECREASE
Voted.....		\$72,148,981
Statutory.....	\$62,091,734	
Special Warrants.....	1,311,014	
	<u>\$63,402,748</u>	<u>\$72,148,981</u>

The net increases or decreases in gross actual as compared with total estimates of gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED

For the year under review, the Legislative Assembly authorized expenditure appropriations in the amount of \$778,602,500, comprising \$536,450,500 ordinary account and \$242,152,000 capital account. Actual gross expenditure charged to appropriations amounted to \$706,453,519, comprised of \$515,505,726 charged to ordinary account and \$190,947,793 to capital account. Thus the gross expenditure charged to appropriations authorized was \$72,148,981 less than the amount authorized. The principal under-expenditures in this amount relate to construction of King's Highways \$15,492,174, construction of new buildings \$10,075,689, installation of plant and equipment for the Ontario Water Resources Commission \$5,862,736, grants to municipalities towards cost of winter work programmes \$5,000,000, municipal subsidies for highway construction \$4,505,225, grants to conservation authorities \$3,234,416, highway maintenance \$2,460,891, student-aid loans \$2,454,380, general legislative grants for education \$1,638,282, and accountable funds of \$4,000,000. The under-expenditure in accountable funds results from the fact that expenditures coming under this heading are made for recoverable advances which are recovered prior to the end of the fiscal year and applied as a contra to the original advances.

In all cases where the actual expenditure exceeded the original appropriation, the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$7,681,100, consisting of \$5,616,100 ordinary account and \$2,065,000 capital account with actual expenditures relative thereto amounting to \$5,818,719, of which \$5,075,319 applied to ordinary account and \$743,400 to capital account. These expenditures form part of the total gross expenditure of \$706,453,519 referred to above and are not in addition thereto.

Full details of treasury board orders issued and the amounts expended under this authority will be found on pages 50-57 of this report.

STATUTORY

The Estimates presented for the year 1958-59 forecast \$191,785,500 gross expenditure under statutory authority. This amount was divided \$97,037,500 to ordinary account and \$94,748,000 to capital account. Actual gross statutory expenditure amounted to \$253,877,234, consisting of \$96,701,900 ordinary expenditure and \$157,175,334 capital expenditure, excluding loan maturities and sinking fund investments. The actual total gross statutory outlay was greater than the estimates by \$62,091,734. The principal over-expenditures in this amount relate to advances to The Hydro-Electric Power Commission of Ontario \$75,000,000, advances to The Ontario Municipal Improvement Corporation \$8,600,000, and a refund to the Government of Canada of \$4,567,365 under the Tax Rental Agreement 1952-56 as subsequently discussed in this report. The main under-expenditure was due to no payment being made from an appropriation of \$27,000,000 for a loan under the authority of The Northern Ontario Pipe Line Act, 1956.

SPECIAL WARRANTS

During the year expenditure in the amount of \$1,311,014 was made through special warrants under authority of subsection 1, section 30, of The Financial Administration Act, 1954.

Full details of the expenditures made under Special Warrants will be found on pages 58-59 of this report.

**PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1959**

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1959, showing the percentage of each item to the total, classified by major categories, is presented in the following statement:

NET ORDINARY REVENUE		%
Corporations Tax.....	\$158,783,059	24.72
Gasoline Tax.....	145,912,609	22.71
Income Tax Rental Agreement.....	89,928,000	14.00
Liquor Profits, Gallonage Tax, etc.....	76,538,570	11.92
Motor Vehicle Licenses and Fees, etc.....	56,810,932	8.84
Succession Duty.....	33,518,051	5.22
Timber Dues, Bonus, etc.....	12,520,000	1.95
Mines Profits Tax.....	7,223,960	1.12
Motor Vehicle Fuel Tax.....	5,518,182	.86
Race Tracks Tax.....	5,202,974	.81
Fish and Wildlife Licenses, Royalties, etc.....	4,439,824	.69
Hospitals Tax.....	4,409,096	.69
Land Transfer Tax.....	4,174,180	.65
Government of Canada—Annual Subsidies.....	3,640,940	.57
Maintenance of Patients—Ontario Hospitals.....	3,214,108	.50
All other revenues.....	30,539,748	4.75
	<u>\$642,374,233</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE		%
Education.....	\$176,519,991	27.49
Highways and Roads—		
Maintenance and Administration.....	\$68,226,243	
Appropriation to Highway Construction Account.....	45,000,000	
	<u>113,226,243</u>	17.63
Health Services.....	76,983,395	11.99
Public Debt—		
Interest, etc.....	\$32,343,999	
Provision for Sinking Funds.....	17,941,000	
	<u>50,284,999</u>	7.83
Public Welfare.....	41,920,231	6.53
Grants based on The Municipal Unconditional		
Grants Act, 1953.....	20,961,813	3.27
Conservation of Forests, Fish and Wildlife.....	20,259,830	3.16
Law Enforcement.....	18,445,796	2.87
Agricultural Services, Grants, etc.....	13,872,489	2.16
Reform Institutions.....	11,376,953	1.77
Public Buildings, Maintenance and Repairs, etc.....	10,793,940	1.68
All other expenditures.....	33,424,483	5.21
	<u>\$588,070,163</u>	<u>91.59</u>
Capital Disbursements on Highways, Public Works, etc., financed		
out of Ordinary Revenue.....	54,000,000	8.41
	<u>\$642,070,163</u>	<u>100.00</u>

On pages 36-39 of this report will be found a graphic presentation of several of the major items on the previous page giving comparisons for the five years ended March 31, 1959.

GENERAL

Corporations tax, gasoline tax, the income tax rental agreement with the Federal Government, liquor control revenues, motor vehicle licenses and fees, and succession duty provide the chief sources of ordinary revenue for the Province. Education, highway expenditures, health services, public debt charges, including provision for sinking funds, and welfare costs, are the principal items of ordinary expenditure, excluding capital disbursements financed out of ordinary revenue. The remaining revenue and expenditure operations continue to occupy a vital place in the overall programme of the Province and the individual totals, while smaller in amount, are nevertheless of great importance. I refer hereunder to some of the more important items of revenue and expenditure and other matters relating to the operations for the year ended March 31, 1959.

The Income Tax Rental Agreement Act, 1957, is still in effect and under the terms of the related agreement the Province received \$89,928,000 during the fiscal year ended March 31, 1959. After negotiation, the rental for the fiscal year ended March 31, 1959, was increased from 10 per cent to 13 per cent by an amendment made by the Government of Canada to the Federal-Provincial Tax Sharing Arrangements Act. The increase in the provincial share has been extended for another year until March 31, 1960.

During the fiscal year a payment of \$4,567,365 was made to the Government of Canada representing an excess of actual over estimated succession duty credits arising out of deaths occurring during the five fiscal years between April 1, 1952, and March 31, 1957, pursuant to the provisions of The Corporations and Income Taxes Suspension Act, 1952. As this payment adjusts accounts of previous years it was charged to Surplus Account as will all subsequent payments of this nature.

The Province of Ontario received in 1957-58 an amount of \$74,379,000 under the terms of the Income Tax Rental Agreement made with the Government of Canada. Subsequently the Government of Canada recalculated the payment due the Province of Ontario and arrived at a figure of \$70,272,000. After a re-examination of Province of Ontario income tax assessments, the Government of Canada revised the amount of the apparent overpayment from \$4,107,000 to \$3,394,000 and this latter amount appears in the Public Accounts of the Province of Ontario as a refund during the fiscal year 1958-59. As a result of representations made by the Province of Ontario, further assessment studies are being carried out by the Government of Canada which are expected to result in the recovery of at least a part of the refund.

During the year gross capital disbursements on King's Highways, Development Roads and Municipal Roads Subsidies, etc., amounted to \$159,320,992. This amount includes \$57,500,000 from the Highway Construction Account. The total of \$159,320,992 is an increase of \$10,982,033 over 1958. In addition \$812,047 was spent on Mining Roads by the Department of Mines, while the Department of Lands and Forests spent \$1,022,225 on Forest Access Roads and \$77,757 on Logging Roads.

Capital disbursements were made to The Hydro-Electric Power Commission of Ontario in the amount of \$1,454,157 to assist in rural electrification projects. This is a reduction of \$5,904,942 from the amount paid in 1957-58 and results from a change in the regulations governing rural power extensions and from the fact that rural power installations are substantially completed.

Land and Buildings were added to during the year by gross capital disbursements of \$39,662,860. In addition a transfer was made during the year of an amount of \$4,649,873 spent by the Department of Highways on permanent buildings in connection with highway construction. General Works and Improvements were added to by gross capital disbursements of \$1,650,688.

A provision for Sinking Funds in the amount of \$17,941,000 was made through ordinary account.

Contributions by the Province to the Teachers' Superannuation Fund and the Public Service Superannuation Fund amounted to \$10,835,838 and \$6,494,338 respectively, in accordance with the requirements of the enactments relative thereto. In addition a payment of \$1,000,000 has been made to each Fund as a special contribution from the Province to reduce the amount by which the estimated actuarial liabilities exceed the assets of the respective Funds. These special contributions have been continued over a period of several years and are a valuable addition to the two Funds but must be considered as temporary measures pending an actuarial report on the Funds. The last actuarial survey of the Public Service Superannuation Fund was made as of March 31, 1952. It is recommended that consideration should be given to having another such survey made to determine the present status of the Fund. Should a deficit be revealed, arrangements should be made to fund it over an agreed period of years.

Pension plans should be maintained on sound principles of financing and a pension fund should receive adequate amounts during the service lifetime of the contributors to enable all the statutory benefits to be paid without producing a deficit.

AUDIT OF REVENUE

As in previous years systematic examinations have been made of the revenues of Departments, employing all procedures considered necessary in accordance with generally accepted auditing standards applicable in the circumstances.

The systems of internal control and methods of accounting in operation were reviewed in all Departments visited. Comprehensive reports on the examinations were prepared and presented to the Ministers of the Departments concerned and to officials of Boards and Commissions. The information which is obtained from these examinations is of great value in assessing the efficiency of the accounting process and enables me to form the opinion that a full accounting is being made of the revenues of the Province.

A continuous audit of the revenues of the Province is being maintained as in previous years.

The amounts of the various service and license fees levied by the Province are subject to continuous review by the Comptroller of Revenue, and have been revised where necessary in order to maintain a proper relationship with the increasing costs of administration.

AUDIT OF EXPENDITURE

In accordance with the requirements of The Audit Act, a continuous audit of the expenditures of the Province was maintained throughout the fiscal year ended March 31, 1959.

Under authority granted to the auditor in section 11 of The Audit Act, certain vouchers were admitted as satisfactory after audit tests had been made and having regard to the character of the departmental examination.

On page 17 of my report for 1957-58 I made the following comments:

"Another matter that is constantly before me in the conduct of my audit is the preparation, examination and certification of claims under the numerous Federal-Provincial shared cost agreements. While these agreements result in the carrying out of many worthwhile projects of mutual interest, the Province has to meet considerable indirect cost by way of temporary financing and administrative overhead. At present claims are submitted monthly, or in some instances quarterly, depending on the terms of the agreement. To prepare, audit and submit such claims requires a substantial outlay for staff by the initiating government. There is also involved the resultant delay before reimbursement is received, which in turn brings about additional financing costs. It is my conviction that a study should be made to develop a mutually acceptable method of current settlements on an estimated basis to be substantiated in each case by a final claim into which any necessary adjustments could be incorporated."

During the past year discussions have been held in connection with this matter and I am hopeful that these discussions will ultimately result in economies both in claims procedures and in the financing of the related projects.

I again wish to emphasize the need for all Departments to resist constantly rising expenditures and pressures for still more. The problem is to decide what is desired in services and what is financially possible of accomplishment and to determine the order in which a long list of capital projects will be undertaken. It must be realized that it is not possible to finance everything at once and here is a limit to what can be done economically and efficiently. Holding down Departmental spending in order to achieve a surplus for debt retirement will not be easy but with interest rates at present levels it would look to be the part of wisdom to aim for that objective.

BALANCE SHEET

The balance sheet of the Province does not include as an asset the value of Crown timber, mineral wealth and surface value of Crown lands, water power, fish, game and fur.

The balance sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

A condensed balance sheet follows showing the assets and liabilities of the Province of Ontario as at March 31, 1959.

PROVINCE OF ONTARIO
CONDENSED BALANCE SHEET
AS AT MARCH 31, 1959

ASSETS

Cash on Hand and in Banks.....	\$ 98,080,370
Temporary Investments.....	43,772,687
Loans and Advances.....	536,728,170
Government of Canada:	
Debt Account and Common School Fund.....	4,271,015
Highways, Buildings, etc.....	1,546,385,247
The Liquor Control Board of Ontario—Investment.....	22,327,401
Other Loans and Advances.....	630,859
Discount, Exchange and Premium on Debentures (less amount amortized) . . .	13,023,924
Accounts Receivable (less Reserve).....	10,663,838
Accrued Interest on bonds securing Advances.....	2,957,155
Interest Receivable (less Reserve).....	471,728
Equipment, Stores and Materials (less Reserve).....	7,569,378
	\$2,286,881,772

LIABILITIES

Funded Debt (less sinking funds—\$208,602,000).....	\$1,321,199,500
Unfunded Debt.....	257,913,828
Accounts Payable.....	2,209,998
Accrued Interest on Funded Debt.....	16,492,028
	\$1,597,815,346
Reserves.....	5,470,531
Surplus.....	683,595,895
	\$2,286,881,772
Contingent Liabilities:	
Bonds, etc., Guaranteed by the Province.....	\$1,381,379,000

I report hereunder on certain of the Assets and Liabilities as shown on the balance sheet of the Province as at March 31, 1959, which appears in the Public Accounts for 1958-59 on pages 6-7.

ASSETS

CASH ON HAND AND IN BANKS—\$98,080,370

Cash in Chartered Banks.....	\$96,686,89
Province of Ontario Savings Office.....	1,393,47
	\$98,080,37

The balances in chartered banks for the account of the Treasurer of Ontario were verified by reconciliation with letters of confirmation received direct from the depositaries. It was also necessary to take into account a balance sheet adjustment made to segregate sinking fund moneys on deposit with the Treasurer of Ontario from other Provincial moneys on deposit at March 31, 1959.

Cash on hand in the various branches of the Province of Ontario Savings Office was certified by the branch managers and the cash on deposit in chartered banks has been confirmed by direct correspondence with the banks concerned. The various branches of the Savings Office were examined by Head Office inspectors during the year without advance notice being given to the personnel of the branches visited.

TEMPORARY INVESTMENTS—\$43,772,687

Government of Canada:	
Bonds and Short Term Securities.....	\$41,772,687
Ontario Northland Transportation Commission:	
Demand Notes.....	2,000,000
	<u>\$43,772,687</u>

The investments coming under this heading were made in order to make the most profitable use of funds temporarily surplus to normal requirements and were made under authority of section 21 of The Financial Administration Act, 1954. In dealing with purchases of short term securities the vendors of the securities contract to pay interest at an agreed rate and to buy back the securities at a fixed date at the price paid by the Province. Securities held for temporary investment at March 31, 1959, were verified by actual count at the Securities Branch of the Treasury Department.

LOANS AND ADVANCES—\$536,728,170

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES SECURED BY BONDS—\$353,331,000

In accordance with the provisions of The Power Commission Act, as amended, debentures of the Province of Ontario were issued during the fiscal year ended March 31, 1959, in the amount of \$75,000,000 and the proceeds were advanced to the Hydro-Electric Power Commission of Ontario for the purposes of the Commission. During the same period the Commission made a repayment of \$12,564,000. Upon receipt of this payment, bonds of the Commission held as security were released in an equivalent amount.

Bonds of the Commission in the amount of \$353,331,000 held in safekeeping in the Securities Branch of the Treasury Department as at March 31, 1959, were verified by actual count.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES—UNSECURED—\$45,067,325

During the period from 1909 to 1934 funds borrowed by the Commission under The Power Commission Act were in some instances obtained from the proceeds of certain Provincial debenture issues. As the related issues mature, the Commission repays the amount previously advanced. During the year ended March 31, 1959, the Commission repaid \$1,242,465 to the Province of Ontario on account of these unsecured advances. Of the above repayment, \$1,041,391 was for the account of the Southern Ontario System, and \$201,074 for Northern Ontario Properties. The Commission also pays the required interest and service charges in respect to its share of the Provincial debenture issues concerned. The balance of unsecured advances was \$45,067,325 as at March 31, 1959.

A schedule is here presented which shows the details of future repayments:

YEAR ENDED	SOUTHERN ONTARIO SYSTEM	NORTHERN ONTARIO PROPERTIES	TOTAL
March 31, 1960	\$12,215,141	\$2,538,561	\$14,753,702
1961	12,641,565	2,802,417	15,443,982
1962	1,179,236	228,018	1,407,254
1963	1,228,570	237,639	1,466,209
1964	1,280,836	247,876	1,528,712
1965	1,334,523	258,411	1,592,934
1966	1,390,288	269,382	1,659,670
1967	1,448,643	280,861	1,729,504
1968	1,169,088	245,701	1,414,789
1969	1,218,332	256,147	1,474,479
1970	835,175	237,685	1,072,860
1971	871,461	247,897	1,119,358
1972	295,003	108,869	403,872
	<u>\$37,107,861</u>	<u>\$7,959,464</u>	<u>\$45,067,325</u>

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,935

This amount relates to advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$4,609,747

The assets of Housing Corporation Limited have decreased by \$772,091 during the year. This is due mainly to repayment of mortgage loans principal in the amount of \$818,692 less an increase in cash in bank of \$46,990. A bank overdraft of \$469,236 has been liquidated and a reduction of \$300,000 made in a bank loan. In the same period the Reserve for Mortgage Loans, principal and interest, was reduced by \$3,087 to \$900,167 due to a loss on operations owing to the fact that the interest earned on mortgage loans was not sufficient to meet interest and bank charges on borrowed funds.

Housing Corporation Limited was incorporated in May, 1948, under a Provincial Charter with a nominal share capital, all of which is owned by the Province of Ontario.

The purpose of the Corporation was to facilitate the financing of the purchase of new low cost houses. To this end, the Corporation advanced money by way of second mortgage up to a maximum of \$1,249.25 for any one loan, and not exceeding in any case the amount of cash contribution by the borrower. In the latter part of 1949 the Government of Canada expanded its facilities in this field, and Housing Corporation thereupon discontinued the receiving of applications for the advancing of moneys under second mortgages as of December, 1949.

The Corporation made loans on 14,695 applications. As at March 31, 1959, there were 6,701 loans in the course of repayment. This is a reduction of 640 loans within the past fiscal year. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

Housing Corporation Limited has financed its operations by bank loans evidenced by promissory notes and by bank overdraft guaranteed by the Province of Ontario pursuant to The Housing Development Act, R.S.O. 1950, Ch. 174. As of March 31, 1959, the Corporation had outstanding a note in the amount of \$3,700,000 bearing interest at 4% and maturing on April 6, 1959.

The general administrative expenses of Housing Corporation Limited have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of bank interest and bank collection charges on the mortgage repayments. However, in recent years, due to the increased rate of interest which the Corporation has to pay on borrowed funds, an operating deficit has occurred.

The assets and liabilities of Housing Corporation Limited have been included with the other accounts on the balance sheet of the Province. The balance sheet of Housing Corporation Limited is also shown separately in the Public Accounts for 1958-59 on page 60.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION—
INVESTMENTS—\$19,690,691

The Ontario Junior Farmer Establishment Loan Corporation was incorporated without share capital by The Junior Farmer Establishment Act, 1952. The Corporation has as its object the making of loans to assist young qualified farmers in the establishment, development and operation of their farms. Subject to the approval of the Lieutenant-Governor in Council, the Corporation may borrow such sums for its purposes as it may deem requisite, either by the issue and sale of debentures, bills or notes of the Corporation or by temporary loans, any of which may be guaranteed by the Province of Ontario. In addition, the Lieutenant-Governor in Council may authorize the Treasurer of Ontario to purchase any debentures, bills or notes of the Corporation and to make advances to the Corporation in such amounts as the Lieutenant-Governor in Council may deem expedient.

The Corporation had outstanding as of March 31, 1959, on the security of first mortgages the amount of \$18,717,506. The accrued interest in respect of these loans amounted as of that date to \$392,795. The Corporation financed such loans in part by way of bank loan and bank overdraft to the extent of \$8,255,326, both guaranteed by the Province of Ontario, and had outstanding as of March 31, 1959, \$11,000,000 of 4½% debentures maturing October 1,

1976, also guaranteed by the Province. The accrued interest on the debentures as of March 31, 1959, amounted to \$246,140.

The general administrative expenses of the Corporation have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of bank and debenture interest and sundry charges on the mortgage payments. In the early years of operation the interest revenues were more than sufficient to meet the cost of borrowed money but in each of the last two fiscal years a deficit on operations of some \$70,000 has occurred due to the rise in the cost of borrowed money.

The assets and liabilities of The Ontario Junior Farmer Establishment Loan Corporation have been included with the other assets on the balance sheet of the Province. The balance sheet of The Ontario Junior Farmer Establishment Loan Corporation is also shown separately in the Public Accounts for 1958-59 on page 61.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—
INVESTMENTS—\$47,093,033

The Ontario Municipal Improvement Corporation was incorporated without share capital by an Act of the 1950 Legislature. The Corporation has as its object the purchase from municipalities or school boards in Ontario of debentures issued by them for certain works and undertakings.

Subject to the approval of the Lieutenant-Governor in Council and to the borrowing limitation referred to below, the Corporation may borrow such sums of money as the Corporation may deem requisite for its purposes by the issue and sale of debentures, bills or notes and by temporary loans any of which may be guaranteed by the Province of Ontario. The Lieutenant-Governor in Council may authorize the Treasurer of Ontario to purchase any debentures, bills or notes of the Corporation and to make advances to the Corporation in such amounts as the Lieutenant-Governor in Council may deem expedient. The Corporation however may not borrow any money, except to repay securities issued by the Corporation or to repay advances from the Treasurer of Ontario, if, after giving effect to such borrowing, the aggregate principal amount of the outstanding debt of the Corporation would exceed \$150,000,000.

As at March 31, 1959, the Corporation held debentures of Ontario municipalities and school boards having a par value of \$45,602,437. The related book value was \$45,530,724. This amount, together with accrued interest receivable of \$891,595, and net discount of \$670,714 on debentures issued make up the Province's investment of \$47,093,033.

The assets and liabilities of The Ontario Municipal Improvement Corporation are also shown separately in the Public Accounts for 1958-59 on page 63.

The general administrative expenses of the Corporation have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of interest on borrowed funds, etc., resulting in a profit as shown by the financial statements in the Public Accounts for 1958-59 on pages 63-64.

A schedule of debentures of Ontario Municipalities and School Boards held by the Corporation at March 31, 1959, is presented on pages 41-46 of this report. These debentures are held in safekeeping by the Securities Branch of the Treasury Department and were verified by actual count at March 31, 1959.

THE HOUSING DEVELOPMENT ACT—

ADVANCES—\$12,877,601

During the year capital advances of \$3,928,201 were made under authority of the above Act in connection with certain joint housing projects which are controlled by the Government of Canada and the Province of Ontario acting in partnership to provide needed housing accommodation in Ontario.

In the same period \$1,189,207 has been received and applied as a reduction of the above advances pending any subsequent adjustments which may become necessary upon the completion of the various projects.

THE ONTARIO TELEPHONE DEVELOPMENT CORPORATION—

ADVANCES—\$689,300

These advances have been provided to enable the Corporation to acquire, construct, operate, maintain, and sell telephone systems in rural areas in order to improve local telephone service. During the year the Corporation received an advance of \$37,300 which, added to its previous balance of \$652,000, produced the total above.

ONTARIO WATER RESOURCES COMMISSION—

ADVANCES—\$10,859,297

This Commission was established to work with communities in every part of Ontario for the development of water supply systems or sewage treatment and pollution abatement works. Projects undertaken must be self-liquidating, producing over a reasonable time a revenue that will cover operating costs, interest charges and debt retirement.

During the fiscal year ended March 31, 1959, there was a net increase of \$9,137,264 in this account including capitalized interest charges of \$180,690 calculated to December 31, 1958.

PROVINCIAL STUDENT-AID LOANS—\$544,614

By an amendment to The Department of Education Act made in 1958, the Provincial Student-Aid Loan Fund was established to aid students of ability who are desirous of continuing their education beyond the secondary school level and who need financial assistance. The loans are repayable with interest at 4 per cent per annum commencing upon the first of April following graduation. During the fiscal year ending March 31, 1959, loans were made to some 1,380 students for a total value of \$545,620, of which \$1,006 has been repaid as at March 31, 1959.

MUNICIPALITIES, ETC.—\$11,673,518

The Co-operative Loans Act, 1956—Loans	\$ 2,451,881
Drainage Debentures	3,339,207
Improvement Districts of Elliot Lake and Manitowadge— Advances	3,691,820
Sandwich, Windsor and Amherstburg Railway Company—Bonds	950,000
City of Windsor—Municipal Debentures	1,233,329
Miscellaneous	7,281

 \$11,673,518

Loans made under The Co-operative Loans Act had a net increase of \$256,549 during the year under review. The total of Drainage Debentures outstanding increased by a net amount of \$585,484. The Improvement Districts of Elliot Lake and Manitouwadge received additional advances amounting to \$2,106,000 to aid in financing capital projects. As of March 31, 1959, debentures of the Improvement District of Manitouwadge had been deposited with the Securities Branch of the Treasury Department as security for advances amounting to \$635,100. These were verified by actual count. As of the same date promissory notes of the Improvement District of Elliot Lake totalling \$3,056,720 were held by the Treasury Department and have been confirmed by examination in the files of the Deputy Provincial Treasurer. The Sandwich, Windsor and Amherstburg Railway Company met a maturity of \$50,000 during the year and the City of Windsor paid off \$59,889 of its debentures at the various due dates throughout the year.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—
INVESTMENTS—\$84,109

The Farm Loans Act—Farm Loans Associations.....	\$36,352
—Capital Stock in Associations.....	2,145
Municipal Debentures—Village of West Lorne.....	45,612
	<u>\$84,109</u>

During the year the sum of \$280,449 was received on account of these investments. Included was the amount of \$275,000 to retire the last of the outstanding Agricultural Development Board debentures.

GOVERNMENT OF CANADA—\$4,271,015
DEBT ACCOUNT—\$2,848,290

Under the B.N.A. Act, 1867, the Government of Canada assumed the debt of the old Province of Canada (Ontario and Quebec). However, on any excess of debt over \$62,500,000, interest at the rate of 5% per annum was to be paid to the Government of Canada by Ontario and Quebec. The excess of debt was apportioned five-ninths to Ontario and four-ninths to Quebec.

When paying the subsidy based on population, the Government of Canada retained therefrom interest at 5% per annum on the excess of debt over \$62,500,000. In the case of Ontario this amounted to \$291,667 annually and represented interest at 5% on \$5,833,333. This procedure was followed for five and one-half years from July 1, 1867 to January 1, 1873.

Under 36 Victoria, Cap 30, 1873, the excess of debt of Ontario and Quebec was deemed to be properly assumed by the Government of Canada. Therefore the Provinces of Ontario and Quebec received the first full subsidy, based on population, free of any interest deduction for excess of debt on July 1, 1873.

In 1884, under 47 Victoria, Cap. 4, an adjustment was made in the annual subsidy to compensate the Province of Ontario for the interest on the excess of debt which had been withheld during the five and one-half years above mentioned. The amounts withheld, together with interest thereon, to July 1, 1884, were, in effect, capitalized and on this capitalized figure of \$2,848,290 the Government of Canada pays the Province interest at the rate of 5% per annum or \$142,414. Payments are made semi-annually on January 1, and on July 1 in each year.

COMMON SCHOOL FUND—\$1,422,725

This amount represents Ontario's present interest in a permanent fund of \$2,677,771 held in trust by the Government of Canada for the Provinces of Ontario and Quebec jointly. The total held by Canada has remained unchanged since March 31, 1942, and is derived from the sale of Crown lands set aside for the benefit of common schools by statutes enacted before Confederation. The Government of Canada pays interest to the Provinces on the principal sum at the rate of 5% per annum, payable semi-annually, in proportion to their respective populations as determined by the most recent decennial census. The present basis for allocation is the census of 1951.

HIGHWAYS, BUILDINGS, ETC.—\$1,546,385,247

Highways and Roads.....	\$1,260,062,883	
Less—Capital Disbursements to October 31, 1929, written off.....	127,813,419	\$1,132,249,464
Rural Power Transmission Lines Bonus 1927-59.....	\$ 111,761,629	
Less—Capital Disbursements to October 31, 1929, written off.....	2,910,780	108,850,849
Land, Buildings, Public Works, etc.....		294,605,184
Niagara Parks Commission—Surplus of Assets (October 31, 1958).....		6,237,151
The Ontario-St. Lawrence Development Commission—Surplus of Assets.		4,442,599
		<u>\$1,546,385,247</u>

During the year the investment in Highways and Roads was increased by a net amount of \$155,093,591. This represents net capital disbursements of \$159,320,992 on highways, which includes \$57,500,000 expended through Highway Construction Account, \$1,022,225 spent on forest access roads, \$812,047 spent on mining roads and \$77,757 spent on logging roads less net capital receipts of \$1,315,270 applied to highways, \$174,287 applied to logging roads and an amount of \$4,649,873 which was transferred to Land and Buildings as it was considered that this amount had been spent in prior years on highway buildings of a permanent nature and should be applied as an addition to investment in Land and Buildings. The accumulated net capital disbursements to date on highways and roads amount to \$1,132,249,464.

The highways built prior to 1929 have been either substantially replaced or reconstructed to such an extent that it is now considered that the cost of original construction should be written off. Accordingly the highway capital disbursements made prior to October 31, 1928, in the amount of \$111,604,602 have been written off in prior years and charged to Surplus and in the current year a further amount of \$16,208,817 being highway capital disbursements for the fiscal year ended October 31, 1929 has been written off. These two amounts totalling \$127,813,419 when deducted from the total disbursements leave a net book value at March 31, 1959, of \$1,132,249,464.

The Rural Power Transmission Lines constructed prior to October 31, 1929, have since that date been substantially reconstructed or replaced and therefore it has been deemed advisable to write off Rural Power Bonuses paid prior to October 31, 1929. Accordingly the capital disbursements made prior to October 31, 1928, in the amount of \$1,840,247 have been written off in the previous year

and charged to Surplus, and in the current year a further amount of \$1,070,533 being Rural Power Transmission Bonus for the fiscal year ended October 31, 1929 has been written off. These two amounts totalling \$2,910,780 when deducted from the total disbursements leave a net book value at March 31, 1959 of \$108,850,849.

Net increases were made to the value of Land, Buildings, Public Works, etc., during the year in the amount of \$16,394,765. This is made up mainly of a net increase in Land and Buildings of \$43,965,197 and an investment of \$3,067,486 in Provincial Parks less Unemployment Relief—Municipal and General Works of \$31,383,188 written off. The Unemployment Relief Projects were carried out in the 1930's and, due to obsolescence and replacement, are no longer considered of value. No depreciation has been accrued on Land, Buildings, Public Works, etc.

The Surplus Account of The Niagara Parks Commission, as at the close of its fiscal year, October 31, 1958, showed a balance of \$6,237,151, which is included in the accounts of the Province by authority of subsection 2 of section 14 of The Niagara Parks Act. This amount has been brought on the balance sheet by an adjustment through Surplus Account.

The Ontario-St. Lawrence Development Commission as at March 31, 1959, had received capital advances in the net amount of \$4,597,863 from the Province of Ontario to provide funds for capital projects and administrative expenses.

During the year a retroactive adjustment of water rental rates was made between the Province and The Hydro-Electric Power Commission of Ontario and gave rise to a special payment to the Treasury Department of \$7,394,276 which was credited to Capital Account. Of this amount \$4,597,863 has been applied against the above advances as at March 31, 1959.

The surplus of assets of the Ontario-St. Lawrence Development Commission has been taken into account as at March 31, 1959, at an agreed figure of \$4,442,599. This amount has been brought on the balance sheet by an adjustment through Surplus Account.

THE LIQUOR CONTROL BOARD OF ONTARIO— INVESTMENT—\$22,327,401

As in previous years, this amount represents the appropriated Surplus of The Liquor Control Board of Ontario as at March 31, 1959. It represents the amount retained by the Board for financing Accounts Receivable, Inventories, Prepaid Charges and Fixed Assets (less reserves). This asset has been brought on the balance sheet by an adjustment through Surplus Account.

OTHER LOANS AND ADVANCES—\$630,859

The Co-operative Loans Act, 1956—Loans	\$ 96,163
Guaranteed Debentures and Interest Coupons redeemed by the Province of Ontario	260,575
Home Bank (In Liquidation) Balance	213,000
Settlers' Loans	59,591
Mothers' Allowances—Municipalities	1,530
	<u>\$630,859</u>

The items in this group have been segregated because they are in arrears or default.

During the year items considered uncollectable in the amount of \$83,472 were written off and charged to Surplus Account as follows:

The Co-operative Loans Act, 1956—Loans.....	\$26,810
Municipal Drainage Debentures.....	2,760
Promissory Notes Paid—Ottawa Separate Schools Commission.....	53,902
	<u>\$83,472</u>

The amount of \$53,902 written off with respect to the Ottawa Separate Schools Commission is related to events which occurred in 1924. The amount is considered uncollectable and is now written off.

Guaranteed debentures have been reduced by \$650 and Settlers' Loans by \$3,955.

These assets are carried at book value as the ultimate realization value cannot be determined at this time.

DISCOUNT, EXCHANGE, AND PREMIUM ON DEBENTURES (less amount amortized)—\$13,023,924

Discounts, Exchange, and Premiums on Provincial Debenture issues are amortized in each case over the term of the related issue. The unamortized balances making up the above total are shown in detail in the Public Accounts of Ontario for 1958-59 on page 53.

ACCOUNTS RECEIVABLE (less Reserve)—\$10,663,838

This is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for doubtful accounts and includes \$957,138 representing the unappropriated surplus of The Liquor Control Board of Ontario in the amount of \$756,039 together with amounts currently owing to the Province of Ontario in the amount of \$201,099 as shown by the balance sheet of the Board as at March 31, 1959.

The accounts receivable were submitted by Departmental accountants. The reserves provided are considered adequate. This asset has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON BONDS SECURING ADVANCES TO THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—\$2,957,155

The above amount represents interest accrued but not yet due at March 31, 1959. This asset has been brought on the balance sheet by an adjustment through Surplus Account. The principal amount of the bonds held is \$353,331,000 and is referred to earlier in this report.

INTEREST RECEIVABLE (less Reserve)—THE AGRICULTURAL DEVELOPMENT FINANCE ACT—\$471,728

There is owing to the Treasurer of Ontario \$2,671,728 for interest due and accrued on the debentures of the Agricultural Development Board. A reserve of \$2,200,000 is provided against the \$2,671,728 since a deficit of \$1,073,393

appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectable. The reserve is considered to be adequate at the present time. The debentures of the Commissioner of Agricultural Loans held by the Treasurer of Ontario as at March 31, 1958 in the amount of \$275,000 were retired in full by September 11, 1958. From this date all monies available to the Commissioner and not needed for operating expenses have been applied to reduce the interest indebtedness. During the year interest due and accrued was reduced by \$265,939 as compared with a reduction of \$29,890 in the previous year. This account has been brought on the balance sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS—\$7,569,378

Inventories of equipment, stores and materials on file in various Departments are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued as in previous years on a basis not exceeding cost. This account has been brought on the balance sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$1,321,199,500

Stock and Debentures	\$1,528,901,500
Less—Sinking Funds	208,602,000
	<hr/>
	\$1,320,299,500
6% Bonds of the Sandwich, Windsor and Amherstburg Railway Company due July 1, 1961—Principal liability assumed by Province.	900,000
	<hr/>
	<u>\$1,321,199,500</u>

The details of Stock and Debentures outstanding at March 31, 1959 are shown in the Public Accounts for 1958-59 on page 55.

The Sinking Funds amount to \$208,602,000 of which \$37,962,500 is on deposit with the Treasurer of Ontario. The securities held are shown on page 54 of the Public Accounts for 1958-59 and consist of issues of the Province of Ontario, The Hydro-Electric Power Commission of Ontario, the Ontario Northland Transportation Commission, the Sandwich, Windsor and Amherstburg Railway Company, the University of Toronto and the Government of Canada. These bonds were verified by actual count as at March 31, 1959 in the Securities Branch of the Treasury Department. The funds on deposit have been verified from the records of the Treasurer of Ontario.

UNFUNDED DEBT—\$257,913,825

DEMAND DEPOSITS WITH THE PROVINCE OF ONTARIO SAVINGS OFFICE—\$81,400,678

This amount is comprised of current deposits of \$81,328,006 and unclaimed balances of \$72,672. These accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to depositors is similar to the liability of a chartered bank in regard to savings deposits.

The Agricultural Development Finance Act, 1921 (11 George V, Ch. 31), empowered the Province to borrow money by means of deposits and to open offices for this purpose at various points in the Province. The Treasurer of Ontario is authorized to fix the conditions as to interest and repayments governing such deposits, the rate of interest to be not more than 4% per annum. The present legislation relating to the Savings Office is found in the Revised Statutes of Ontario, 1950, Chapter 11. Under the existing legislation the moneys borrowed by way of these deposits may be used for the general purposes of the Province.

SPECIAL FUNDS—\$89,214,956

PUBLIC SERVICE SUPERANNUATION FUND—\$74,348,004

During the year the funds of the Public Service Superannuation Fund on deposit increased by \$14,712,031 to a balance of \$74,348,004 at March 31, 1959.

PUBLIC SERVICE RETIREMENT FUND—\$1,110,050

During the year the funds of the Public Service Retirement Fund increased by \$95,819 to a balance of \$1,110,050 as at March 31, 1959.

OTHER—\$13,756,902

The funds held for the redemption of vacation-with-pay stamps decreased by \$2,026,523 to a balance of \$7,485,052 as at March 31, 1959. This decrease is considered to be related to the great reduction in day labourers upon the completion of the St. Lawrence Seaway. The funds held for the Unsatisfied Judgment Fund increased by \$734,102 to a balance of \$3,409,254 at March 31, 1959.

HOUSING CORPORATION LIMITED—\$3,709,570

The liabilities of Housing Corporation Limited consist mainly of a bank loan of \$3,700,000 guaranteed by the Province of Ontario. During the year a bank overdraft of \$469,236 from March 31, 1958 was paid off and the bank loan was reduced by \$300,000.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT

LOAN CORPORATION—LIABILITIES—\$19,526,512

The liabilities of The Ontario Junior Farmer Establishment Loan Corporation consist mainly of a bank overdraft of \$355,326, bank loans of \$7,900,000, outstanding debentures \$11,000,000 and accrued interest on debentures of \$246,140. These liability items are guaranteed by the Province of Ontario.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—

LIABILITIES—\$39,062,109

The liabilities of The Ontario Municipal Improvement Corporation include outstanding debentures \$36,850,000, a bank overdraft of \$1,551,738 and accrued debenture interest of \$651,826, all guaranteed by the Province of Ontario. These three items plus accrued interest on bank overdraft of \$8,545 account for the above total of \$39,062,109.

In addition the Corporation is indebted to the Treasurer of Ontario for a net advance of \$7,000,000. This item has been eliminated by contra in the preparation of the balance sheet of the Province.

HIGHWAY CONSTRUCTION ACCOUNT

This account was created under authority of section 21 of The Highway Improvement Amendment Act, 1952. During the fiscal year ended March 31, 1959 an amount of \$45,000,000 was appropriated for the account by the Legislature through Highways ordinary expenditure. The receipts and payments in this account are summarized below:

Balance, March 31, 1958	\$37,500,000
Fiscal year ended March 31, 1959:	
Receipts:	
Voted from Ordinary Expenditure	45,000,000
	<u>\$82,500,000</u>
Disbursements:	
Statutory Capital Disbursements	57,500,000
Balance, March 31, 1959	<u>\$25,000,000</u>

ACCOUNTS PAYABLE—\$2,209,993

Of this total \$1,821,839 arises from timber deposits and other liabilities of the Department of Lands and Forests. The remaining \$388,154 represents the value of goods received and services rendered during the year which had not been paid for at March 31, 1959 by the departments. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$16,492,028

Interest accrued but not yet due at March 31, 1959 on debentures outstanding in the hands of the public, accounts for \$16,481,753 of the above total. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

RESERVES—\$5,470,531

There has been a net increase of \$461,505 in this account. The main items causing the increase were \$466,326 added to the General Reserve of The Ontario Municipal Improvement Corporation, \$40,613 added to Bequests, and \$29,736 added to outstanding cheques, less a reduction of \$72,083 in the Reserve for Mortgage Loans, principal and interest, of The Ontario Junior Farmer Establishment Loan Corporation.

SURPLUS—\$683,595,895

Surplus Account has been increased during the fiscal year by a net amount of \$80,958,321. The principal items credited to Surplus Account during the fiscal year were Surplus on Ordinary Account \$304,070, Provision for Sinking Funds \$17,941,000, disbursements charged to Highway Construction Account during the fiscal year \$57,500,000, capital disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue \$54,000,000, the portion of Water Power Rentals applied in reduction of disbursements for Provincial Parks, \$2,796,413 and a net amount of \$1,949,625 relating to year-end adjustments of accounts receivable and payable, stores and materials and accrued interest, etc.

During the fiscal year Surplus Account has been reduced by Highway Capital Disbursements for the fiscal year ended October 31, 1929 amounting to

\$16,208,817 written off, Rural Power Transmission Lines Bonus for the fiscal year ended October 31, 1929 amounting to \$1,070,533 written off, Unemployment Relief dating back to the 1930's, now written off as no longer of value, \$31,383,188, Radium Element for Cancer Control lost through obsolescence and use \$220,015, uncollectable accounts written off \$83,472 and a repayment to Canada of \$4,567,365 under the Canada-Ontario Tax Rental Agreement 1952.

Details of the changes in Surplus Account for the year are shown in the Public Accounts for 1958-59 on page 8.

CONTINGENT LIABILITIES—\$1,381,379,001

Bonds, etc., guaranteed by the Province of Ontario, as held at March 31, 1959.....	\$1,406,891,001
Less—Held in Sinking Funds.....	25,512,000
	<u>\$1,381,379,001</u>

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Railways, Schools, a Municipality, a Commission and a University, etc., as shown on pages 65-68 of the Public Accounts for 1958-59 are in accordance with the authority granted in the governing statutes.

During the fiscal year guarantees of bonds, etc., increased by a net amount of \$54,117,266. This is due mainly to a net increase of \$57,676,500 in issues of The Hydro-Electric Power Commission of Ontario, a net reduction of \$2,434,000 in the obligations of the Ontario Northland Transportation Commission, and a net reduction of \$958,864 in obligations of Co-operative Associations.

It has been decided that the amount of contingent liabilities shown on the balance sheet of the Province of Ontario should be net of guaranteed obligations held in the sinking funds of the Province of Ontario. For further details see page 68 of the Public Accounts for 1958-59.

CHARTS AND STATEMENTS

Charts showing the trend in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ended March 31, 1959, are appended to this report on pages 34-35. The difference between Gross and Net Provincial Debt and Gross and Net Capital Debt is explained in my report for 1953-54 on page 30. Charts showing the trend in certain major items of Net Ordinary Revenue and Expenditure appear on pages 36-39 of this report.

The following statements for the fiscal year April 1, 1958 to March 31, 1959 will be found on pages 40-49:

Source and Application of Funds

Debentures of Ontario Municipalities and School Boards held by The Ontario Municipal Improvement Corporation as at March 31, 1959

Comparative Statement of Net Interim and Actual Ordinary Revenue

Comparative Statement of Net Interim and Actual Ordinary Expenditure

Comparative Summary of Net Interim and Actual Ordinary Revenue and Ordinary Expenditure

Comparative Statement of Net Interim and Actual Capital Receipts

Comparative Statement of Net Interim and Actual Capital Disbursements.

Statements showing details of Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1959, and Special Warrants issued during the fiscal year ended March 31, 1959, are submitted in separate sections immediately following the statements referred to above.

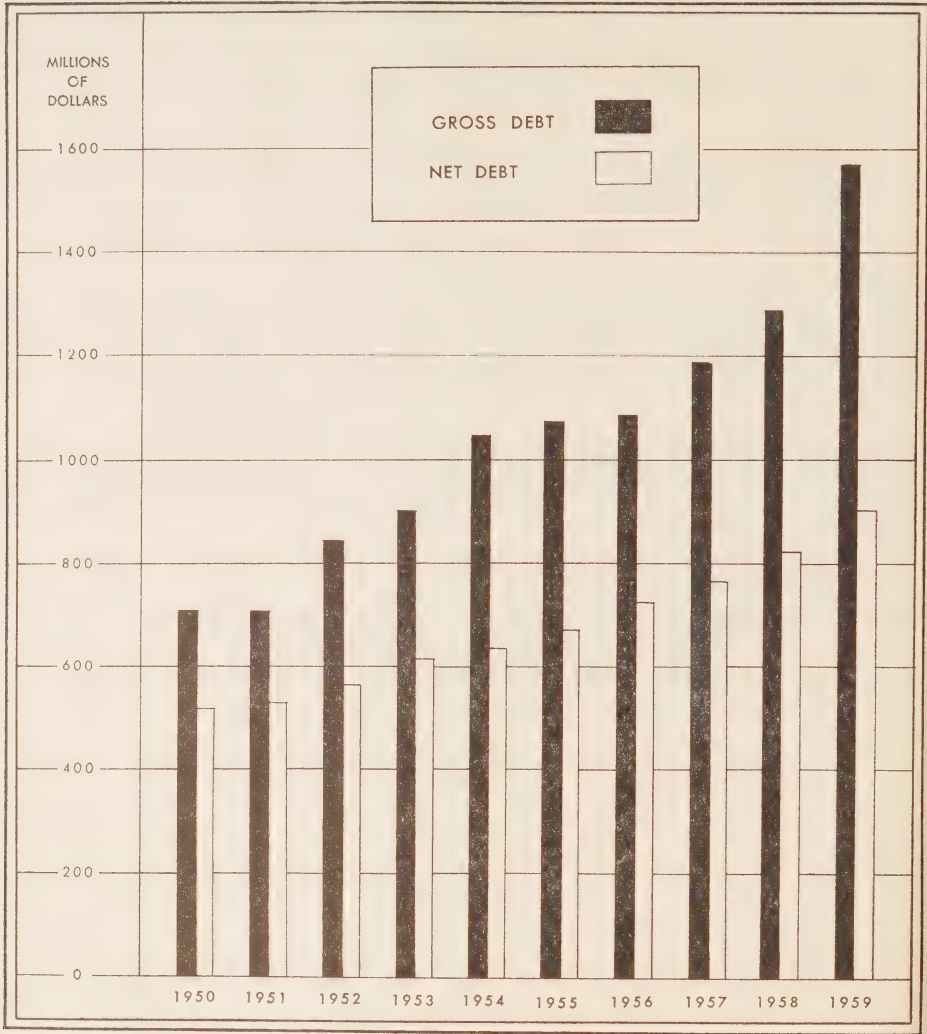
Again I have reason to be grateful for the willing co-operation and effective help of the officials and staff of the various Departments, Boards and Commissions, during the conduct of the audit.

Toronto, November 24, 1959.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

CHARTS AND STATEMENTS
ON FOLLOWING PAGES

GROSS AND NET DEBT*
FOR THE TEN YEARS ENDED MARCH 31, 1959

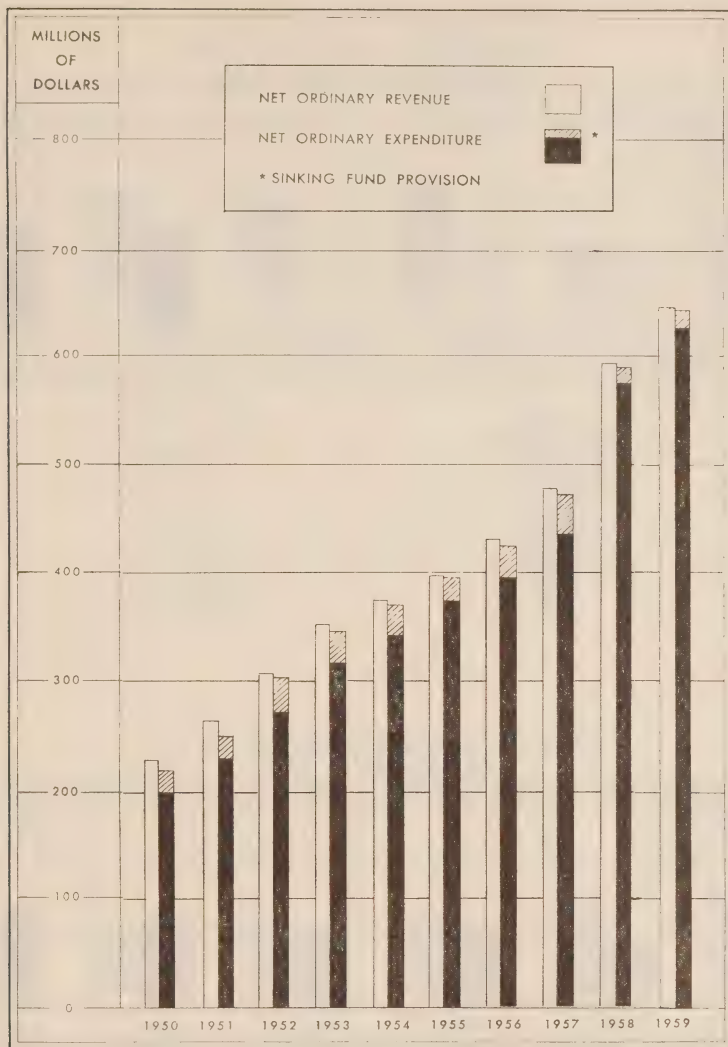


Gross and Net Debt per Public Accounts*

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1950	\$ 694,009,335	\$ 508,819,332
1951	697,963,424	521,550,164
1952	826,228,266	554,634,804
1953	884,231,206	604,832,094
1954	1,035,484,085	629,995,642
1955	1,066,160,741	660,725,169
1956	1,072,409,119	705,306,145
1957	1,196,707,469	758,277,702
1958	1,285,809,989	818,606,441
1959	1,579,113,325	900,532,098

*Gross and Net Provincial Debt, 1950-1952.
Gross and Net Capital Debt, 1953-1959.

NET ORDINARY REVENUE AND EXPENDITURE FOR THE TEN YEARS ENDED MARCH 31, 1959

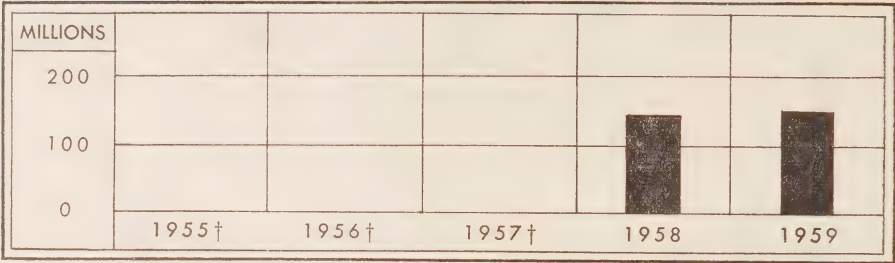


YEAR ENDED MARCH 31	NET ORDINARY REVENUE	NET ORDINARY EXPENDITURE	*SINKING FUND PROVISION
1950	\$ 228,550,022	\$ 219,893,374	\$ 20,622,000
1951	265,272,107	249,788,424	21,698,000
1952	302,320,999	301,259,560	34,276,000
1953	349,500,385	348,399,514	30,859,000
1954	372,973,316	372,040,302	29,945,000
1955	399,393,284	399,249,638	21,536,000
1956	427,969,363	425,464,481	32,630,000
1957	479,783,191	477,978,640	40,729,000
1958	591,849,092	590,983,062	17,833,000
1959	642,374,233	642,070,163	17,941,000

*Included in Net Ordinary Expenditure.

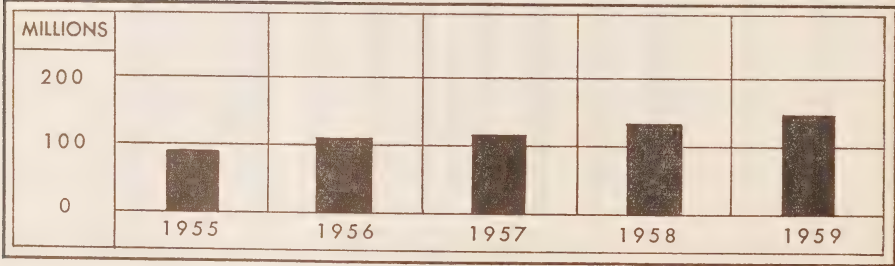
MAJOR ITEMS OF NET ORDINARY REVENUE
COMPARED FOR THE FIVE YEARS ENDED MARCH 31, 1959

CORPORATIONS TAX



YEAR ENDED MARCH 31	AMOUNT
1955	\$.....†
1956†
1957†
1958	148,015,496
1959	158,783,059

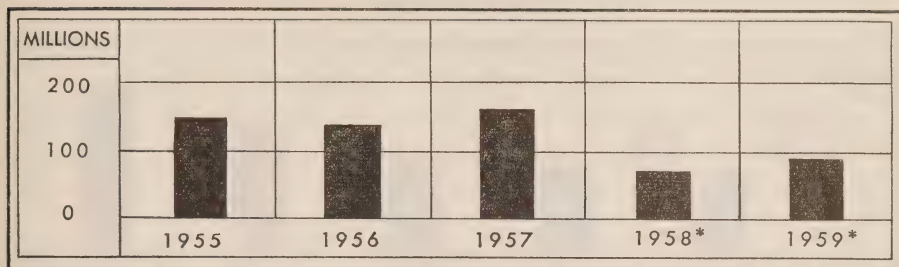
GASOLINE TAX



YEAR ENDED MARCH 31	AMOUNT
1955	\$ 92,657,841
1956	103,815,191
1957	112,970,087
1958	138,532,259
1959	145,912,609

†Included in Tax Rental Agreement.

TAX RENTAL AGREEMENT

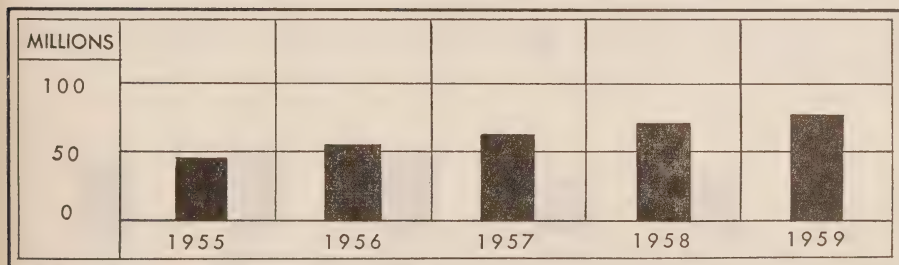


YEAR ENDED
MARCH 31

AMOUNT

1955	.....	\$142,746,809
1956	.....	138,345,269
1957	.....	160,558,129
1958	.....	74,379,000*
1959	.....	89,928,000*

LIQUOR CONTROL REVENUES



YEAR ENDED
MARCH 31

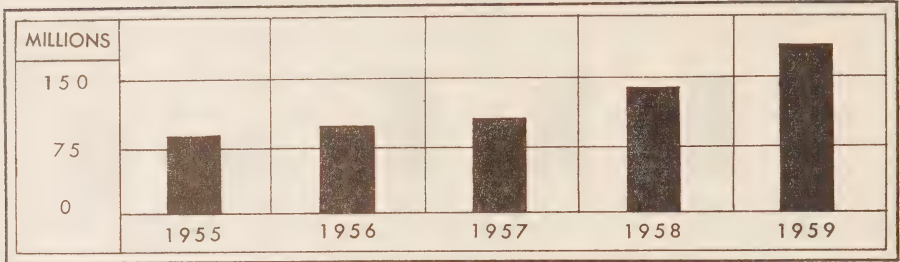
AMOUNT

1955	.....	\$46,768,205
1956	.....	51,325,662
1957	.....	56,593,688
1958	.....	66,672,601
1959	.....	76,538,570

*Income Tax Rental Only.

**MAJOR ITEMS OF NET ORDINARY EXPENDITURE
COMPARED FOR THE FIVE YEARS ENDED MARCH 31, 1959**

EDUCATION

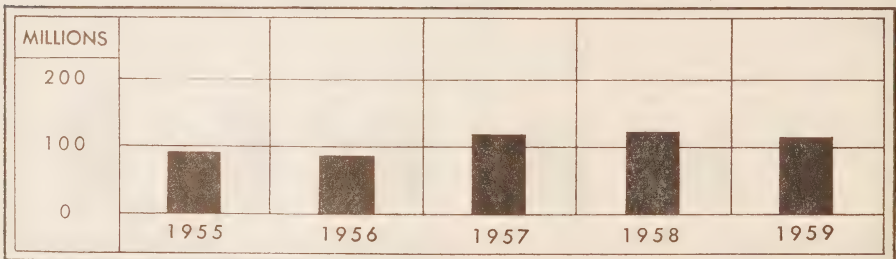


YEAR ENDED
MARCH 31

AMOUNT

1955	.....	\$ 91,475,889
1956	.....	100,141,333
1957	.....	107,395,641
1958	.....	141,659,812
1959	.....	176,519,991

HIGHWAYS AND ROADS, MAINTENANCE, GRANTS, Etc. *



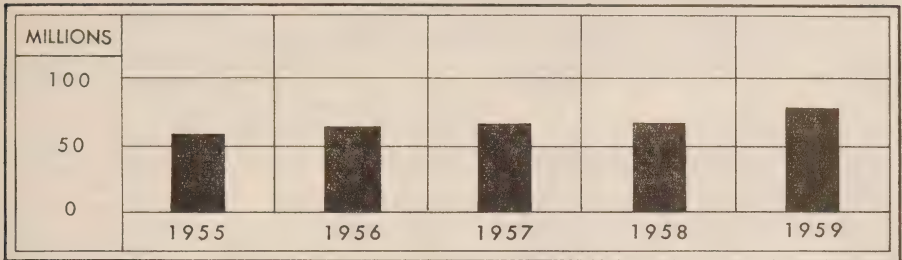
YEAR ENDED
MARCH 31

AMOUNT

1955	.....	\$ 97,752,345
1956	.....	95,189,016
1957	.....	122,281,971
1958	.....	121,925,985
1959	.....	113,226,243

*Includes Appropriation to Highway Construction Account.

HEALTH SERVICES

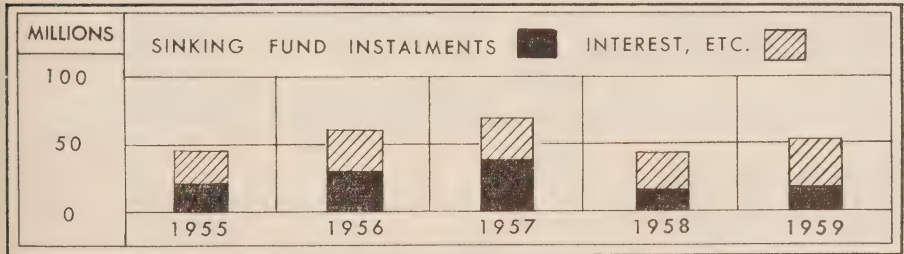


YEAR ENDED
MARCH 31

AMOUNT

1955	.....	\$57,197,171
1956	.....	59,369,132
1957	.....	62,500,398
1958	.....	65,965,085
1959	.....	76,983,395

PUBLIC DEBT



YEAR ENDED
MARCH 31

SINKING FUND
INSTALMENTS

INTEREST
ETC.

1955	.....	\$21,536,000	\$25,477,727
1956	.....	32,630,000	25,463,498
1957	.....	40,729,000	26,275,714
1958	.....	17,833,000	29,125,879
1959	.....	17,941,000	32,343,999

SOURCE AND APPLICATION OF FUNDS FOR THE FISCAL YEAR ENDED MARCH 31, 1959

SOURCE OF FUNDS—

Excess of Ordinary Revenue over Ordinary Expenditure.....		\$	304,070	
Add: Items not requiring an outlay of funds:				
Provision for Sinking Funds.....	\$	17,941,000		
Appropriation to Highway Construction Account.....		45,000,000		
Discount and Exchange on Debentures, written off (net) or assumed.....		3,183,046		
				66,124,046
Increase in Liabilities:				
Debentures Issued (net of discount and exchange).....	\$	299,487,095		
Demand Deposits with Province of Ontario Savings Office (net)		1,334,719		
Special Funds:				
Public Service Superannuation and Retirement Funds (net)		14,807,850		
Bequests, Scholarships and Outstanding Cheques (net).....		70,349		
				315,700,013
Decrease in Assets:				
Loans and Advances Repaid.....	\$	25,901,610		
Sale of Capital Assets and Recoveries.....		5,316,778		
Proceeds from Sinking Fund Investments sold and matured...		1,884,250		
Uninvested Sinking Funds.....		7,749,750		
Other.....		3,209		
				40,855,597
				<u>\$422,983,726</u>

APPLICATION OF FUNDS—

Investment in Physical Assets:				
Highways.....	\$	159,320,992		
Logging and Forest Access Roads.....		1,099,983		
Mining Roads.....		812,046		
			\$	161,233,021
Land and Buildings.....	\$	39,662,860		
Storage Dams and Docks, etc.....		710,104		
				40,372,964
Rural Power Transmission Lines.....				1,454,157
Conservation Projects.....				940,584
Provincial Parks.....				3,067,486
				<u>\$207,068,212</u>
Less—Financed out of Ordinary Revenue.....				54,000,000
				\$153,068,212
Increase in Other Assets:				
Cash on Hand and in Banks.....	\$	85,160,104		
Temporary Investments (net).....		35,333,938		
Loans and Advances:				
The Hydro-Electric Power Commission of Ontario.....	\$	75,000,000		
Other.....		28,287,645		
				103,287,645
Sinking Fund Investments Purchased.....				21,233,000
				245,014,687
Decrease in Liabilities:				
Debentures retired prior to Maturity.....	\$	12,564,000		
Debentures retired through Sinking Funds.....		6,342,000		
Special Funds—Other (net).....		1,166,011		
Miscellaneous.....		261,451		
				20,333,462
Decrease in Surplus:				
Repayment to Government of Canada under Tax Rental Agreement, 1952-56..				4,567,365
				<u>\$422,983,726</u>

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1959**

NAME	PURPOSE	PAR VALUE
Acton, Town of	Water, Sewers and Schools \$	434,450.00
Ajax, Town of	Schools	132,100.00
Ajax, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	68,100.00
Albion, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8	Schools	38,900.00
Ancaster, Township of	Schools	99,000.00
Anderdon and Sandwich West, Townships of—Board of Trustees of Roman Catholic Union Separate School, United Sections No. 2 and No. 8	Schools	24,400.00
Atikokan, Township of	Water, Sewers and Schools	513,016.86
Atwood, Township of	Schools	36,700.00
Aurora, Town of	Water, Sewers and Schools	653,959.50
Balfour, Township of	Schools	116,700.00
Bancroft, Village of	Schools	101,000.00
Bath, Village of	Water	35,000.00
Beardmore, Improvement District of—Board of Trustees of Roman Catholic Separate School	Schools	60,000.00
Bertie, Township of	Water	94,000.00
Bicroft, Improvement District of	Schools	60,000.00
Black River, Township of	Water and Sewers	74,000.00
Blenheim, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21	Schools	44,200.00
Blezard, Township of	Schools	77,800.00
Blind River, Town of	Water, Sewers and Schools	408,800.00
Blind River, Town of—Board of Trustees of Roman Catholic Separate School	Schools	150,400.00
Bolton, Village of	Schools	50,700.00
Bonfield, Township of	Schools	39,100.00
Bracebridge, Town of	Water and Schools	395,400.00
Brampton, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	113,300.00
Broder, Township of (Territorial District of Sudbury)—Board of Public School Trustees School Section No. 2	Schools	27,400.00
Broder and Dill, Townships of (Territorial District of Sudbury)—Board of Public School Trustees Union School Section No. 1	Schools	38,900.00
Bronte, Village of	Water, Sewers and Schools	565,200.00
Bruce Mines, Town of	Schools	113,300.00
Brudenell and Lyndoch, and Radcliffe, Townships of—Board of Trustees of Roman Catholic Union Separate School for United Sections No. 3	Schools	19,500.00
Brunel, Township of	Schools	31,700.00
Burlington, Town of	Schools	89,000.00
Burlington, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	176,600.00
Burlington-Nelson, Board of Management Inter-Urban Area of	Water	221,000.00
Caledonia, Village of—Board of Trustees of Roman Catholic Separate School	Schools	37,800.00
Calvert, Township of	Water and Sewers	74,800.00
Calvert, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4	Schools	150,300.00
Capreol, Town of	Water and Sewers	48,840.00
Cardiff, Improvement District of	Water, Sewers and Schools	600,100.00
Cartier, (Unorganized) Township of—Board of Trustees of Public School Section No. 1	Schools	3,100.00
Casgrain, Township of, in the Territorial District of Cochrane—Board of Trustees of Roman Catholic Separate School Section No. 2	Schools	37,800.00
Cavuga, Village of—Board of Trustees of Roman Catholic Separate School	Schools	36,500.00
Chapleau, Township of	Sewers	225,000.00
Chatham, Township of	Water	59,700.00
Chelmsford, Town of	Water and Schools	23,850.00
Chippawa, Village of	Water and Sewers	254,800.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1959**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Chippawa, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	\$ 75,500.00
Christie, Township of.....	Schools.....	37,880.00
Cobalt, Town of.....	Schools.....	217,900.00
Cobden, Village of.....	Water and Sewers.....	55,700.00
Cochrane, Town of.....	Sewers.....	81,000.00
Colchester North, Township of.....	Schools.....	94,400.00
Commee, Township of.....	Schools.....	45,000.00
Cornwall, City of.....	Water and Schools.....	143,000.00
Crowland, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	116,700.00
Crystal Beach, Village of.....	Water and Sewers.....	132,400.00
Dover, Township of—Board of Trustees of Roman Catholic Union Separate School Sections Nos. 3, 7, 9, 13 and 14.....	Schools.....	136,200.00
Dowling, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	40,900.00
Draper, Township of.....	Schools.....	42,500.00
Drury, Denison and Graham, United Townships of.....	Schools.....	38,900.00
Dryden, Town of.....	Water.....	36,600.00
Dungannon, Township of.....	Schools.....	38,100.00
Dysart, Dudley, Harcourt, Guilford, Harburn, Bruton, Havelock, Eyre and Clyde, Townships of.....	Schools.....	28,000.00
Ellice, Township of—Board of Trustees of Roman Catholic Separate School Section No. 6.....	Schools.....	4,600.00
Elliot Lake, Improvement District of.....	Water, Sewers and Schools.....	8,680,900.00
Elliot Lake, Improvement District of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	631,300.00
Elmvale, Village of.....	Water.....	2,200.00
Etobicoke, Township of.....	Water and Sewers.....	844,000.00
Etobicoke, Township of—Board of Trustees of Roman Catholic Union Separate School for United Sections Nos. 11 and 15.....	Schools.....	155,600.00
Faraday, Township of.....	Schools.....	91,400.00
Fisher, (Unorganized) Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	15,100.00
Fisher and Herrick, Townships of (Territorial District of Algoma)—Board of Public School Trustees of Union School Section No. 1.....	Schools.....	19,000.00
Fonthill, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	80,000.00
Fort Frances, Town of.....	Water and Sewers.....	19,000.00
Fredericksburgh North, Township of.....	Schools.....	15,600.00
Freeman, Township of.....	Schools.....	8,300.00
Frontenac, County of.....	Schools.....	754,000.00
Carson, Township of—Board of Trustees of Roman Catholic Separate School Sections No. 2 and 3.....	Schools.....	116,700.00
Georgetown, Town of.....	Water, Sewers and Schools.....	826,740.00
Georgetown, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	170,000.00
Geraldton, Town of.....	Schools.....	153,100.00
Gladstone, Improvement District of.....	Schools.....	20,000.00
Gladstone, Bright, Parkinson, Patton and Eley, Unorganized Townships of—Board of School Trustees of the Township School Area.....	Schools.....	37,800.00
Glencoe, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	18,900.00
Gloucester, Township of.....	Schools.....	155,800.00
Grantham, Township of.....	Water and Sewers.....	445,300.00
Grantham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	113,300.00
Grantham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8.....	Schools.....	37,800.00
Grimsby North, Township of.....	Schools.....	35,300.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1959**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Gwillimbury North, Township of.....	Schools.....	\$ 63,400.00
Gwillimbury West, Township of.....	Sewers.....	112,130.00
Hawkesbury, Town of.....	Water and Sewers.....	53,000.00
Hearst, Town of.....	Water and Sewers.....	39,000.00
Hensall, Village of.....	Schools.....	105,700.00
Houghton, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	41,100.00
Ignace, (Unorganized) Township of.....	Schools.....	84,900.00
Ingram, (Unorganized) Township of—Board of Trustees of the Township School Area.....	Schools.....	18,500.00
Innisfil, Township of—Board of Trustees of Roman Catholic Separate School Section No. 12.....	Schools.....	74,200.00
Innisfil, Township of.....	Schools.....	42,300.00
Jaffray and Melick, Townships of.....	Schools.....	21,000.00
Joan and Phyllis, (Unorganized) Townships of—Board of School Trustees.....	Schools.....	25,000.00
Johnson, Township of.....	Schools.....	45,300.00
Keewatin, Town of.....	Schools.....	325,000.00
Keewatin, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	66,000.00
Kendrey, Improvement District of.....	Water and Sewers.....	71,500.00
King, Township of.....	Drainage.....	52,200.00
Korah, Township of.....	Water.....	9,300.00
Korah, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	90,600.00
Lakefield, Village of.....	Water and Schools.....	262,700.00
Lakefield, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	38,900.00
La Salle, Town of.....	Water and Schools.....	114,100.00
Lewis and Spragge, Townships of (Territorial District of Algoma)—Board of Public School Trustees of Union School Section No. 2.....	Schools.....	34,000.00
London, Township of.....	Sewers and Schools.....	233,329.95
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	73,600.00
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21.....	Schools.....	38,900.00
Long and Striker, (Unorganized) Townships of, in the Territorial District of Algoma—Board of Public School Trustees for Union School Section No. 1.....	Schools.....	55,700.00
Lutterworth, Township of.....	Schools.....	38,900.00
Lybster and South Marks, (Unorganized) Townships of—Board of Trustees of the Township School Area.....	Schools.....	19,500.00
Machin, Township of.....	Schools.....	7,600.00
Madoc, Village of.....	Water and Sewers.....	19,300.00
Maidstone, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7....	Schools.....	14,200.00
Manitouwadge, Improvement District of.....	Water.....	1,148,200.00
Manitouwadge, Improvement District of, Township School Area.....	Schools.....	538,400.00
Markham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	75,200.00
Marmora, Village of.....	Schools.....	85,000.00
Matheson, Town of.....	Water.....	3,700.00
Mattawa, Town of.....	Water and Sewers.....	133,500.00
McKim, Township of.....	Water, Sewers and Schools.....	547,800.00
Milton, Town of.....	Sewers and Schools.....	317,100.00
Monteagle and Herschel, (Unorganized) United Townships of.....	Schools.....	34,600.00
Moore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	14,100.00
Morrisburg, Village of.....	Sewers.....	2,900.00
Monellan and Garson, United Townships of.....	Water and Schools.....	1,187,500.00
Nelson, Township of.....	Schools.....	728,000.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1959**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
New Liskeard, Town of.....	Water and Sewers..... \$	9,200.00
Niagara, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	113,300.00
Niagara, Township of.....	Sewers.....	16,000.00
Niagara, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	40,000.00
Nipigon, Township of.....	Sewers.....	79,400.00
Oakville, Town of.....	Water.....	336,800.00
Onaping, Improvement District of.....	Schools.....	108,000.00
Oro, Township of.....	Schools.....	36,900.00
Parry Sound, Town of.....	Water and Sewers.....	6,200.00
Pelham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	40,000.00
Pembroke, Township of.....	Schools.....	34,700.00
Petaawawa, Township of.....	Schools.....	37,600.00
Pic, Township of (Territorial District of Thunder Bay)—Board of Public School Trustees Section No. 1.....	Schools.....	68,100.00
Pickering, Township of.....	Schools.....	56,700.00
Pickering, Village of.....	Schools.....	103,400.00
Port Carling, Town of.....	Water.....	16,000.00
Port Credit, Village of.....	Water.....	197,000.00
Port Dalhousie, Town of.....	Water.....	18,500.00
Port Dalhousie, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	54,300.00
Port McNicoll, Village of.....	Water.....	12,300.00
Powassan, Town of.....	Schools.....	284,300.00
Prescott, Town of.....	Schools.....	249,000.00
Rainy River, Town of.....	Schools.....	135,000.00
Rayside, Township of.....	Schools.....	58,400.00
Redditt, Township of, Territorial District of Kenora—Public School Board of School Section No. 1.....	Schools.....	22,700.00
Red Lake, Improvement District of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	86,000.00
Red Rock, Improvement District of.....	Water, Sewers and Schools	50,400.00
Red Rock, Improvement District of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	80,000.00
Renfrew, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	75,900.00
Richmond Hill, Town of.....	Schools.....	284,200.00
Richmond Hill, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	75,500.00
Riverside, Town of.....	Water, Sewers and Schools	120,317.00
Riverside, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	189,800.00
Rockland, Town of.....	Water.....	29,300.00
Rodney, Village of, and Aldborough, Township of—Board of Trustees of Roman Catholic Union Separate School for the Village and Section No. 5.....	Schools.....	37,800.00
St. Clair Beach, Village of.....	Water and Schools.....	48,900.00
Sandwich East, Township of.....	Water, Sewers and Schools	569,971.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	75,110.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	11,800.00
Sandwich South, Township of.....	Schools.....	40,600.00
Sandwich South, Township of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	75,000.00
Sandwich West, Township of.....	Water, Sewers and Schools	1,015,234.88
Sandwich West, Township of—Board of Trustees of Roman Catholic Union Separate School United Sections Nos. 2, 3, 4, 7 and 9.....	Schools.....	237,800.00
Sault Ste. Marie, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	218,900.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1959**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Savant Lake—Board of Trustees of Public School Section No. 1.....	Schools.....	\$ 12,500.00
Schreiber, Township of.....	Water.....	26,000.00
Schreiber, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	22,400.00
Shedden, Township of—Board of Trustees of Public School Section No. 1.....	Schools.....	72,000.00
Shedden, Township of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	80,800.00
Sherwood, Jones and Burns, Township of.....	Schools.....	35,300.00
Sidney, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	19,600.00
Sioux Lookout, Town of.....	Water and Sewers.....	188,400.00
Sioux Lookout, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	80,000.00
Slaght, (Unorganized) Township of—Board of Trustees Public School Section No. 1 Umfreville.....	Schools.....	3,700.00
South River, Village of.....	Water.....	82,000.00
Stafford, Township of.....	Schools.....	36,900.00
Stamford, Township of.....	Water.....	922,000.00
Stamford, Township of—Board of Trustees of Roman Catholic Union Separate School for United Sections Nos. 4, 5, 6.....	Schools.....	97,300.00
Stamford, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	112,800.00
Stouffville, Village of.....	Sewers.....	472,000.00
Strathroy, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	16,000.00
Strong, Township of.....	Schools.....	185,000.00
Sturgeon Falls, Town of.....	Schools.....	244,200.00
Sudbury, City of.....	Water and Sewers.....	269,600.00
Sunnidale, Township of.....	Schools.....	58,400.00
Sutton, Village of.....	Water.....	286,000.00
Tarentorus, Township of.....	Water and Sewers.....	197,300.00
Tay, Township of.....	Water.....	67,700.00
Teck, Township of.....	Water.....	61,300.00
Tecumseh, Town of.....	Sewers.....	7,800.00
Thessalon, Town of.....	Schools.....	94,940.00
Thorold, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	107,600.00
Timmins, Town of.....	Sewers.....	113,900.00
Timmins, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	317,400.00
Tisdale, Township of.....	Water and Sewers.....	339,400.00
Toronto, Township of.....	Water, Sewers and Schools.....	1,730,300.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School No. 2.....	Schools.....	38,900.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4.....	Schools.....	94,400.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	94,000.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	75,200.00
Toronto Gore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 6.....	Schools.....	37,800.00
Trafalgar, Township of.....	Sewers and Schools.....	837,000.00
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 13.....	Schools.....	133,800.00
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 18.....	Schools.....	141,000.00
Upsala, Township School Area Board of Public School Trustees.....	Schools.....	40,000.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1959**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Vermilion Additional, Drayton, Jordan and Vermilion, Townships of (Territorial District of Kenora)—Board of Public School Trustees of Union School Sections Nos. 1, 2, 1 and 1.....	Schools.....	\$ 107,000.00
Vespra, Township of.....	Schools.....	54,700.00
Wallaceburg, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	94,400.00
Waters, Township of.....	Schools.....	43,800.00
West Ferris, Township of.....	Water.....	43,000.00
Westminster, Township of.....	Sewers and Schools.....	135,300.00
Whitney, Township of.....	Sewers.....	30,600.00
Wicksteed, Township of.....	Schools.....	47,100.00
Widdifield, Township of.....	Water.....	43,000.00
Windsor, City of.....	Water.....	1,200,000.00
Windsor, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	725,800.00
Woodbridge, Village of.....	Water and Schools.....	171,100.00
Wyoming, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	37,800.00
York North, Township of.....	Water and Sewers.....	984,367.59
		<u>\$45,602,436.78</u>

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1958, TO MARCH 31, 1959**

DEPARTMENT	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 1,500,000	\$ 1,526,610	\$ 26,610	\$
Attorney-General.....	5,915,000	6,213,722	298,722	
Economics.....		1,215	1,215	
Education.....	2,096,000	2,577,321	481,321	
Health.....	3,477,000	4,151,654	674,654	
Highways.....	769,000	849,927	80,927	
Insurance.....	467,000	497,122	30,122	
Labour.....	729,000	748,685	19,685	
Lands and Forests.....	19,154,000	19,512,132	358,132	
Mines.....	9,437,000	8,749,309		687,691
Municipal Affairs.....	289,000	336,726	47,726	
Planning and Development.....		6,690	6,690	
Prime Minister.....		42	42	
Provincial Secretary.....	2,185,000	2,240,052	55,052	
Public Welfare.....		68,829	68,829	
Public Works.....	236,000	266,194	30,194	
Reform Institutions.....	704,000	704,314	314	
Transport.....	54,480,000	56,892,872	2,412,872	
Travel and Publicity.....	255,000	253,694		1,306
Treasury:				
Main Office—				
Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....		7,488	7,488	
Ontario Racing Commission.....	107,000	116,800	9,800	
The Liquor Control Board of Ontario—				
Profits, etc.....	70,000,000	76,000,000	6,000,000	
Transfer Fees.....	600,000	538,570		61,430
Public Utilities Tax.....	1,200,000	1,589,708	389,708	
Comptroller of Revenue—				
Income Tax Rental Agreement..	89,267,000	89,928,000	661,000	
Corporations Tax.....	155,000,000	158,783,059	3,783,059	
Gasoline Tax.....	143,000,000	145,912,609	2,912,609	
Motor Vehicle Fuel Tax.....	5,300,000	5,518,182	218,182	
Hospitals Tax.....	4,400,000	4,409,096	9,096	
Succession Duty.....	34,000,000	33,518,051		481,949
Race Tracks Tax.....	5,200,000	5,202,974	2,974	
Security Transfer Tax.....	2,200,000	2,553,757	353,757	
Land Transfer Tax.....	4,000,000	4,174,180	174,180	
Law Stamps.....	1,400,000	1,440,251	40,251	
Logging Tax.....	1,800,000	1,687,611		112,389
Miscellaneous.....		1,410	1,410	
Water Rentals.....	1,960,000	1,683,301		276,699
Total for Treasury.....	<u>\$523,146,000</u>	<u>\$536,777,123</u>	<u>\$14,563,650</u>	<u>\$ 932,527</u>
	<u>\$624,839,000</u>	<u>\$642,374,233</u>	<u>\$19,156,757</u>	<u>\$1,621,524</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1958, TO MARCH 31, 1959**

DEPARTMENT	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 13,932,000	\$ 13,872,489	\$	\$ 59,511
Attorney-General.....	18,811,000	18,445,796		365,204
Economics.....	301,000	279,733		21,267
Education.....	176,863,000	176,519,991		343,009
Health.....	76,803,000	76,983,395	180,395	
Highways:				
Maintenance and Administration..	68,604,000	68,226,243		377,757
Appropriation to Highway Construc- tion Account.....	45,000,000	45,000,000		
Insurance.....	374,000	362,918		11,082
Labour.....	2,691,000	2,647,196		43,804
Lands and Forests.....	21,678,000	20,259,830		1,418,170
Lieutenant-Governor.....	20,000	20,575	575	
Mines.....	1,515,000	1,475,104		39,896
Municipal Affairs.....	32,171,000	26,772,581		5,398,419
Planning and Development.....	3,459,000	3,234,756		224,244
Prime Minister.....	195,000	192,918		2,082
Provincial Auditor.....	418,000	389,405		28,595
Provincial Secretary.....	2,693,000	2,987,431	294,431	
Public Welfare.....	42,620,000	41,920,231		699,769
Public Works.....	11,670,000	10,793,940		876,060
Reform Institutions.....	11,667,000	11,376,953		290,047
Transport.....	3,792,000	3,604,217		187,783
Travel and Publicity.....	1,546,000	1,519,791		26,209
Treasury.....	10,832,000	10,797,562		34,438
Stationery Account.....		102,109	102,109	
	<u>\$547,655,000</u>	<u>\$537,785,164</u>	<u>\$ 577,510</u>	<u>\$10,447,346</u>
Public Debt:				
Interest, etc.....	33,653,000	32,343,999		1,309,001
Provision for Sinking Funds.....	17,941,000	17,941,000		
	<u>\$599,249,000</u>	<u>\$588,070,163</u>	<u>\$ 577,510</u>	<u>\$11,756,347</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	25,000,000	54,000,000	29,000,000	
	<u>\$624,249,000</u>	<u>\$642,070,163</u>	<u>\$29,577,510</u>	<u>\$11,756,347</u>

*9 months' actual—3 months' forecast.

COMPARATIVE SUMMARY

**NET INTERIM* AND ACTUAL ORDINARY REVENUE AND ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1958, TO MARCH 31, 1959**

	INTERIM	ACTUAL	ACTUAL To INTERIM
Net Ordinary Revenue.....	\$624,839,000	\$642,374,233	\$17,535,233
Less: Net Ordinary Expenditure (before items below).....	\$581,308,000	\$570,129,163	\$11,178,837
Provision for Sinking Funds.....	17,941,000	17,941,000	
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	25,000,000	54,000,000	29,000,000
Net Ordinary Expenditure.....	<u>\$624,249,000</u>	<u>\$642,070,163</u>	<u>\$17,821,167</u>
Surplus.....	<u>\$ 590,000</u>	<u>\$ 304,070</u>	<u>\$ 285,930</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL
RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1958, TO MARCH 31, 1959**

DEPARTMENT	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Education.....	\$	\$	\$	\$
Health.....	56,000	56,060	60	
Highways.....	1,335,000	1,325,668		9,332
Labour.....	11,600,000	10,532,303		1,067,697
Lands and Forests.....	480,000	732,575	252,575	
Mines.....	85,000	77,938		7,062
Municipal Affairs.....	50,000			50,000
Planning and Development.....	881,000	1,191,471	310,471	
Provincial Secretary.....	20,200,000	19,963,592		236,408
Public Welfare.....		6,457	6,457	
Public Works.....	1,746,000	345,405		1,400,595
Transport.....	3,600,000	3,872,504	272,504	
Treasury.....	91,501,000	94,560,983	3,059,983	
	<u>\$131,534,000</u>	<u>\$132,665,962</u>	<u>\$3,903,056</u>	<u>\$2,771,094</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL
DISBURSEMENTS FOR THE FISCAL YEAR APRIL 1, 1958, TO MARCH 31, 1959**

DEPARTMENT	NET INTERIM CAPITAL DISBURSE- MENTS	NET ACTUAL CAPITAL DISBURSE- MENTS	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 800,000	\$ 472,668	\$	\$ 327,332
Education.....	500,000	545,620	45,620	
Highways.....	169,435,000	159,320,992		10,114,008
Labour.....	12,800,000	12,558,226		241,774
Lands and Forests.....	5,600,000	4,167,468		1,432,532
Mines.....	1,000,000	812,047		187,953
Municipal Affairs.....	3,777,000	2,106,000		1,671,000
Planning and Development.....	9,800,000	7,358,466		2,441,534
Provincial Secretary.....	5,140,000	5,155,742	15,742	
Public Welfare.....		6,911	6,911	
Public Works.....	56,060,000	49,771,679		6,288,321
Transport.....	3,300,000	3,138,402		161,598
Treasury.....	12,493,000	91,381,190	78,888,190	
	<u>\$280,705,000</u>	<u>\$336,795,411</u>	<u>\$78,956,463</u>	<u>\$22,866,052</u>
Less: Financed out of Ordinary Revenue.....	25,000,000	54,000,000	29,000,000	
	<u>\$255,705,000</u>	<u>\$282,795,411</u>	<u>\$49,956,463</u>	<u>\$22,866,052</u>

*9 months' actual—3 months' forecast.

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS DURING THE FISCAL YEAR ENDED MARCH 31, 1959

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Agriculture		
	Main Office:		
Sept. 23, 1958	Removal Expenses of Officials.....	1,500.00	1,256.26
Mar. 23, 1959	Workmen's Compensation Board—Awards and Costs.....	1,500.00	1,256.41
	Agricultural and Horticultural Societies Branch:		
Dec. 23, 1958	Judges, Services, Travelling and Other Expenses..	150.00	147.03
Dec. 23, 1958	Grants under The Community Centres Act.....	120,000.00	88,933.00
	Dairy Branch:		
April 14, 1959	Dairy Instruction and Inspection.....	300,000.00	260,172.84
	Extension Branch:		
	Agricultural Representative Service:		
	County and District Offices:		
Mar. 16, 1959	Agricultural Representative Work, Services, Expenses and Equipment, etc.....	20,000.00	17,684.44
	Field Crops Branch:		
Mar. 2, 1959	Maintenance.....	500.00	499.38
Mar. 2, 1959	Administration of The Weed Control Act, The Seed Potatoes Act, Improvement Work, etc....	7,000.00	5,467.31
	Live Stock Branch:		
Mar. 2, 1959	Maintenance.....	2,000.00	1,639.23
Mar. 23, 1959	Educational and Demonstration Work, etc.....	20,000.00	19,182.56
Oct. 21, 1958	Services and Expenses re Administration of The Stallions Act, etc.....	3,000.00	1,673.00
	Markets Branch:		
	Farm Products Marketing Board and Co-operative Loans Board:		
Sept. 30, 1958	Research, Services and Expenses, etc.....	25,000.00	14,213.04
	Farm Products Inspection Service:		
April 14, 1959	Salaries.....	4,100.00	4,075.63
Dec. 23, 1958	Administration and Enforcement of The Plant Diseases Act and The Farm Products Grades and Sales Act, etc.....	26,000.00	23,004.51
	Horticultural Experiment Station, Vineland:		
	Horticultural Products Laboratory:		
Mar. 2, 1959	Salaries.....	3,700.00	3,683.04
	Ontario Agricultural College, Guelph:		
April 14, 1959	Expenses.....	20,000.00	19,807.84
	Ontario Veterinary College, Guelph:		
Mar. 2, 1959	Expenses.....	14,500.00	14,367.84
Mar. 2, 1959	Veterinary Research Institute.....	4,500.00	4,476.65

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Agriculture—Continued		
Dec. 23, 1958	Western Ontario Agricultural School and Experimental Farm, Ridgetown: Salaries	8,000.00	7,222.04
Mar. 2, 1959	Ontario Telephone Authority: Travelling Expenses	5,000.00	4,302.77
		586,450.00	493,064.82
	Department of Attorney-General		
	Main Office:		
Jan. 26, 1959	Crown Counsel Prosecutions:		
Mar. 9, 1959	Order.....\$30,000.00		
	Order.....20,000.00		
		50,000.00	47,319.19
Feb. 16, 1959	General Litigation and Legal Services.....	2,000.00	1,347.93
Dec. 23, 1958	Commissions and Sundry Investigations.....	8,500.00	8,421.25
Feb. 2, 1959	Law Revision and Other Committees Expenses...	1,000.00	560.30
	Director of Titles:		
May 21, 1958	Salaries	13,000.00	10,475.98
	Maintenance:		
May 21, 1958	Order.....\$ 5,000.00		
Feb. 2, 1959	Order.....7,000.00		
		12,000.00	11,969.56
Aug. 5, 1958	Ontario Securities Commission: Services, Expenses, Valuations, Investigations and Miscellaneous Services	7,500.00	7,365.20
	Criminal Justice Accounts:		
Feb. 16, 1959	Districts: Administration of Justice.....	50,000.00	49,526.44
Mar. 9, 1959	Magistrates and Juvenile Courts: Reimbursement of Salaries of Judges and Court Officials; Maintenance of Offices—Judicial Districts	5,000.00	4,151.07
	Ontario Provincial Police:		
Mar. 31, 1959	Salaries	44,000.00	13,562.22
Mar. 9, 1959	Travelling Expenses	160,000.00	159,676.81
May 6, 1958	Public Trustee: Auditor's Fees	1,500.00	1,500.00
		354,500.00	315,875.95
	Department of Education		
	Main Office and General Departmental Expenses:		
April 7, 1959	Main Office: Maintenance.....	2,000.00	626.28
April 7, 1959	General Departmental Expenses: Maintenance.....	3,000.00	2,910.42
April 7, 1959	Elementary Education Branch: Travelling and District Office Expenses	45,000.00	26,301.33
April 7, 1959	Films—Purchase, Repairs, etc.....	3,000.00	2,997.77

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Education—Continued		
	Secondary Education Branch:		
April 7, 1959	Maintenance.....	2,000.00	550.31
April 7, 1959	Technical Institutes: Institutes to be Established (Windsor)	25,000.00	5,887.08
April 7, 1959	Teacher Education Branch: Practice Teaching Expenses.....	50,000.00	49,944.45
	Registrar's Branch:		
April 7, 1959	Maintenance.....	3,000.00	2,761.29
Dec. 23, 1958	Summer Courses for Teachers.....	3,000.00	2,540.81
	Other Educational Services:		
April 7, 1959	Travelling Libraries: Maintenance.....	2,500.00	2,092.72
Feb. 2, 1959	Scholarships, Bursaries, etc.: Subsidy on Transportation of Students from Territorial Districts, etc.....	500.00	416.45
Feb. 9, 1959	Legislative Grants, etc.: Assistance in Payment of Cost of Education for Retarded Children.....	50,000.00	49,999.25
Feb. 2, 1959	Special Capital Grants for School Accommodation for Retarded Children.....	50,000.00	50,000.00
Feb. 16, 1959	Grants to Provincial and Other Universities, etc.: University of Toronto, including Certain Affiliated Institutions.....	100,000.00	100,000.00
Mar. 31, 1959	Assumption University of Windsor—for Essex College.....	75,000.00	75,000.00
		414,000.00	372,028.16
	Department of Health		
	Main Office:		
Dec. 23, 1958	Travelling Expenses.....	4,000.00	3,977.34
Feb. 2, 1959	Public Health Education.....	7,000.00	6,062.90
	Grants:		
	Canadian Red Cross Society:		
Aug. 5, 1958	Order.....	\$105,000.00	
Nov. 18, 1958	Order.....	20,000.00	
Nov. 26, 1958	Order.....	114,000.00	
		239,000.00	239,000.00
Mar. 18, 1959	Cancer Control: Grant to Ontario Cancer Treatment and Research Foundation.....	150,000.00	93,912.44
Mar. 16, 1959	Nursing Branch: Costs and Expenses of Training Certified Nursing Assistants.....	14,000.00	12,664.02
	Mental Health Branch:		
	General Expenses:		
Mar. 16, 1959	Workmen's Compensation Board—Awards and Costs.....	20,000.00	20,000.00
Nov. 26, 1958	Removal Expenses of Officials in Connection with the Ontario Hospitals.....	6,000.00	4,708.71
Nov. 26, 1958	Transport Service.....	8,000.00	7,603.38

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Health—Continued		
	Mental Health Branch—Continued		
	Ontario Hospitals:		
Mar. 16, 1959	Salaries	100,000.00	81,867.20
Mar. 16, 1959	Maintenance	600,000.00	599,959.37
		1,148,000.00	1,069,755.36
	Department of Labour		
	Main Office:		
	Conciliation Boards (Commissioners, etc.):		
Nov. 12, 1958	Order	\$65,000.00	
Mar. 31, 1959	Order	10,000.00	
		75,000.00	74,269.77
Oct. 14, 1958	Workmen's Compensation Board—Awards and Costs	1,000.00	803.80
	Apprenticeship Branch:		
Feb. 16, 1959	Maintenance	2,000.00	1,991.78
Feb. 9, 1959	Apprenticeship Training (Special Classes)	35,000.00	20,817.28
	Boiler Inspection Branch:		
Feb. 16, 1959	Travelling Expenses	2,000.00	1,994.15
	Factory Inspection Branch:		
Mar. 31, 1959	Maintenance	1,000.00	958.95
	Board of Examiners of Operating Engineers:		
	Maintenance:		
Feb. 16, 1959	Order	\$2,000.00	
Mar. 31, 1959	Order	4,000.00	
		6,000.00	4,335.62
	Composite Inspection Branch:		
Mar. 31, 1959	Maintenance	1,000.00	989.37
	Labour Relations Board:		
Feb. 16, 1959	Per Diem Allowances (Board Members)	10,000.00	8,975.00
	Office of Athletics Commissioner:		
	Assistance to Amateur Sport:		
Feb. 16, 1959	Order	\$3,000.00	
Mar. 16, 1959	Order	3,000.00	
		6,000.00	4,521.54
		139,000.00	119,657.26
	Department of Lands and Forests		
	Main Office:		
Jan. 14, 1959	Workmen's Compensation Board—Awards and Costs	40,000.00	39,238.30
Mar. 9, 1959	Annuities and Bonuses to Indians under Treaty No. 9	650.00	608.00
Jan. 14, 1959	Unemployment Insurance Stamps	25,000.00	14,663.81
	Ontario Fuel Board:		
Feb. 9, 1959	Salaries	15,000.00	14,629.44
Feb. 9, 1959	Travelling Expenses	12,000.00	11,986.11
Feb. 9, 1959	Maintenance and Operating	33,000.00	32,881.45
		125,650.00	114,007.11

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Mines		
Dec. 23, 1958	Main Office: Fees, Salaries and Expenses—Legal, Professional and Miscellaneous Services	25,000.00	24,248.22
Mar. 31, 1959	Mines Inspection Branch: Travelling Expenses	3,000.00	1,634.53
Nov. 4, 1958	Sulphur Fumes Arbitrator: Salaries, Travelling and Other Expenses	9,000.00	8,506.26
Feb. 16, 1959	Mining Lands Branch: Salaries	2,500.00	1,116.88
		39,500.00	35,505.89
	Department of Municipal Affairs		
Nov. 26, 1958	Main Office: Grants to Municipalities: Payments in lieu of Certain Municipal Taxes...	150,000.00	71,767.71
	Department of Planning and Development		
Mar. 16, 1959	Main Office: Postage—entire Department	500.00	498.6
	Department of Provincial Secretary		
Nov. 4, 1958	Main Office: Government Hospitality Fund	25,000.00	19,147.2
Dec. 23, 1958	Memorial Wreaths	100.00	22.5
Mar. 2, 1959	Alcoholism Research Foundation	40,000.00	40,000.0
Feb. 16, 1959	Office of the Speaker: Travelling Expenses	800.00	800.0
Mar. 31, 1959	Sessional Requirements: Clerks of Committees, Sergeant-at-Arms, Messengers, Pages, Sessional Writers, etc.	3,000.00	1,761.3
May 13, 1958	Committee Fees, etc.: Order	\$25,000.00	
Nov. 18, 1958	Order	15,000.00	
		40,000.00	39,881.9
Dec. 23, 1958	Civil Service Commission: Honoraria and Expenses re Joint Advisory Council and Departmental Committees	500.00	7.5
Feb. 16, 1959	Public Service Superannuation Fund: Salaries	6,000.00	5,793.2
		115,400.00	107,413.8

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Welfare		
	Main Office:		
Mar. 16, 1959	Salaries	6,300.00	5,974.21
Feb. 2, 1959	Travelling Expenses	2,000.00	1,108.77
Feb. 2, 1959	Workmen's Compensation Board—Awards and Costs	1,500.00	351.94
	Child Welfare Branch:		
Mar. 16, 1959	Maintenance	1,700.00	1,690.97
	Charitable Institutions—Subsidies on New and Acquired Buildings for Children, The Charitable Institutions Act, 1956:		
Sept. 30, 1958	Order	\$ 62,500.00	
Feb. 16, 1959	Order	113,600.00	
		176,100.00	176,095.42
	Welfare Allowances Branch:		
	Maintenance:		
Feb. 2, 1959	Order	\$14,000.00	
Mar. 16, 1959	Order	1,700.00	
		15,700.00	15,546.29
Feb. 23, 1959	Allowances in accordance with The Mothers' and Dependent Children's Allowances Act, 1957...	1,635,000.00	1,619,373.37
Mar. 16, 1959	Allowances in accordance with The Disabled Persons' Allowances Act, 1955	155,000.00	138,114.88
Mar. 16, 1959	Medical Services	31,500.00	28,844.35
	Field Services Branch:		
Mar. 16, 1959	Maintenance	2,800.00	2,725.91
	Homes for the Aged Branch:		
Feb. 2, 1959	Salaries	9,500.00	8,769.04
Feb. 2, 1959	Maintenance	3,500.00	3,263.18
		2,040,600.00	2,001,858.33
	Department of Public Works		
	Main Office:		
Mar. 9, 1959	Workmen's Compensation Board—Awards and Costs	35,000.00	28,679.99
	Ontario Government Buildings:		
Mar. 9, 1959	Maintenance, Services, Repairs: Repairs, Alterations and Incidentals	100,000.00	28,076.96
	Miscellaneous:		
Nov. 26, 1958	Ontario Water Resources Commission: Salaries, Services, Expenses, etc., in connection with Study and Development of Water Resources and Supply, Disposal of Sewage, etc.	125,000.00	111,811.14
		260,000.00	168,568.09
	Department of Reform Institutions		
	Main Office:		
Mar. 31, 1959	Grants—Training Schools	55,000.00	41,634.41

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Transport		
	Main Office:		
	Salaries:		
Sept. 30, 1958	Order.....	\$10,500.00	
Mar. 9, 1959	Order.....	6,000.00	
		16,500.00	12,846.75
Sept. 30, 1958	Maintenance.....	16,500.00	16,498.82
	Motor Vehicles Branch:		
Mar. 23, 1959	Maintenance.....	8,000.00	7,535.71
Feb. 9, 1959	Advertising.....	10,000.00	9,921.81
		51,000.00	46,803.09
	Department of Travel and Publicity		
	Theatres Branch:		
Mar. 16, 1959	Travelling Expenses.....	1,500.00	788.82
	Treasury Department		
	Main Office:		
	Services and Other Expenses for Special Studies, etc.:		
Nov. 12, 1958	Order.....	\$25,000.00	
Jan. 26, 1959	Order.....	25,000.00	
		50,000.00	32,715.45
	Post Office:		
Jan. 26, 1959	Postage and Maintenance.....	85,000.00	83,375.84
		135,000.00	116,091.29
	Total Ordinary Treasury Board Orders.....	5,616,100.00	5,075,318.80

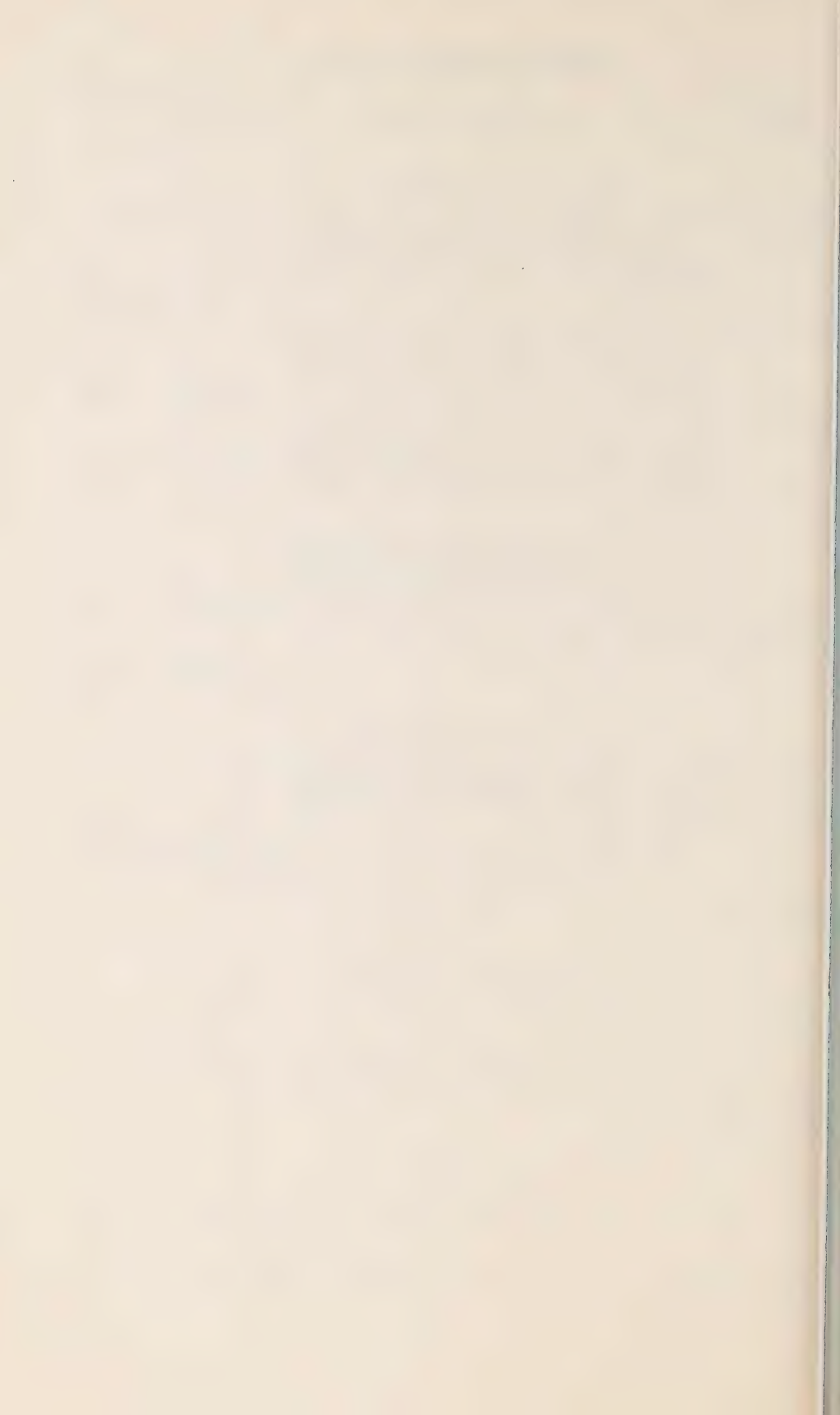
DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	CAPITAL		
	Department of Lands and Forests		
	Basic Organization:		
Aug. 12, 1958	Construction of Forest Access Roads:		
Jan. 14, 1959	Order.....\$400,000.00		
	Order.....500,000.00		
		900,000.00	522,225.25
	Provincial Parks:		
Jan. 14, 1959	Acquisition of Land, Construction of Buildings, etc.....	1,000,000.00	67,485.78
		1,900,000.00	589,711.03
	Department of Public Welfare		
	Welfare Allowances Branch:		
Mar. 16, 1959	Allowances in accordance with The Disabled Persons' Allowances Act, 1955.....	165,000.00	153,688.69
	Total Capital Treasury Board Orders	2,065,000.00	743,399.72
	Total Treasury Board Orders.....	7,681,100.00	5,818,718.52

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR
ENDED MARCH 31, 1959

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Health		
Dec. 11, 1958	Payment of a Special Capital Grant to the General Hospital, Sault Ste. Marie, Ontario.....	75,000.00	75,000.00
	Department of Lands and Forests		
Oct. 23, 1958	Payment of Expenditure incurred by a Board of Arbitration, under The Pipe Lines Act, 1958.	6,000.00	5,590.77
	Department of Municipal Affairs		
April 10, 1958	Walford Area Tornado Relief Fund, for the purpose of assisting persons in the Walford Area whose crops, buildings and chattles were either totally or partially destroyed by a severe electrical and wind storm on August 3, 1957.....	5,743.20	5,743.20
June 5, 1958	Cambridge Township Disaster Relief Committee for the purpose of assisting persons in the Cambridge Area whose crops, buildings and chattels were either totally or partially destroyed by a severe hail and wind storm on July 3, 1957.....	28,692.82	28,658.8
July 17, 1958	Payments to Municipalities for the purpose of paying 70% of the direct labour costs incurred on special work projects during the period between February 15 and May 31, 1958, as have been approved by the Minister of Municipal Affairs...	1,500,000.00	888,737.0
Dec. 4, 1958	Payments to Municipalities for the purpose of giving bounties for the destruction of Foxes as may be approved by the Minister of Municipal Affairs..	5,000.00	5,000.0
		1,539,436.02	928,139.0
	Department of Prime Minister		
Oct. 29, 1958	Special Grant to the Springhill Disaster Relief Fund, Nova Scotia.....	50,000.00	50,000.0
Jan. 20, 1959	Canteen Supplies for Her Majesty's Forces stationed in Ontario and Overseas.....	13,000.00	12,862.2
		63,000.00	62,862.2

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Welfare		
April 10, 1958	Payment to Andrew Ross Pickle for the purpose of compensating him for payments he was expecting to receive under The Old Age Security Act (Canada) during the period April 1, 1958 to March 31, 1959	660.00	660.00
April 17, 1958	Payment to Catholic Family Services, Toronto, for the purpose of assisting the said organization in the matter of the expenses incurred by it for the care and maintenance of children placed in Foster Homes during the year 1957	8,659.02	8,659.02
April 17, 1958	Payment to Jewish Family and Child Service, Toronto, for the purpose of assisting the said organization in the matter of the expenses incurred by it for the care and maintenance of children placed in Foster Homes during the year 1957	1,000.36	1,000.36
April 17, 1958	Payment to Protestant Children's Homes, Toronto, for the purpose of assisting the said organization in the matter of the expenses incurred by it for the care and maintenance of children placed in Foster Homes during the year 1957	22,107.43	22,107.43
Sept. 4, 1958	Payment of expenses related to the work of the Committee for Geriatric Studies	10,000.00	6,995.22
		42,426.81	39,422.03
	Department of Reform Institutions		
Sept. 17, 1958	Payment of a Grant to the St. John's Training School, Uxbridge, Ontario, for the construction at the School of a new Academic, Auditorium-Gymnasium Building	200,000.00	200,000.00
	Total Special Warrants	1,925,862.83	1,311,014.03





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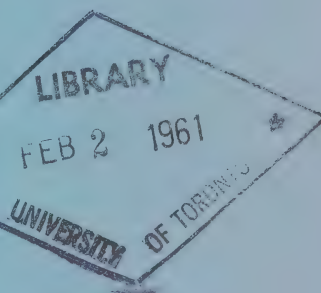
(PROVINCIAL AUDITOR'S REPORT 1959-60

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO



TORONTO
PRINTED AND PUBLISHED BY FRANK FOGG
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY
1960

PROVINCIAL AUDITOR'S REPORT

1959-60

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
SESSIONAL PAPER No. 3, 1961



ONTARIO

TORONTO
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1960

TO THE HONOURABLE JOHN KEILLER MACKAY, D.S.O., V.D., D.C.L.,
LL.D.,
Lieutenant-Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1960, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
Toronto, November 22, 1960.

REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31ST, 1960, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1959 - 1960

I have the honour to report to the Legislative Assembly on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1960, in accordance with the requirements of The Audit Act.

I have examined the Balance Sheet of the Province of Ontario as at March 31, 1960, the Statements of Revenue and Expenditure for the year ended on that date and other related statements, and have compared them with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications in this report, in my opinion and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1960, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

There are two generally accepted bases or systems of accounting. One is the "cash" basis under which revenue is taken into account in the period in which it is received in cash, and disbursements are accounted for when the actual payments are made; the other is the "accrual" basis under which revenues are accounted for when earned or due, even though not collected, and disbursements are accounted for when the liabilities are incurred whether payment is made in the accounting period or not.

Many factors must be considered in determining how the voluminous and varied transactions of the Province should be recorded and summarized in a clear and comprehensive way. In commercial enterprises, the accounts are usually maintained on an accrual basis. However, the main purpose of government accounting is to serve the requirements of the Legislature and to ensure effective control by the Legislature over public moneys. As legislative control in Ontario is maintained through the operation of the Consolidated Revenue Fund which is a cash account, and by directing the flow of cash receipts into, and cash disbursements out of the Fund, the accounts of the Province are basically on a cash basis. However, modifications have been made to facilitate the maintenance of accounting control over certain assets and liabilities and to provide for valuation adjustments for certain assets in anticipation of possible losses on ultimate realization.

The cash basis of accounting for Ordinary Revenue and Expenditure and Capital Receipts and Disbursements has been used as in previous years, and the Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1960, on an accrual basis with the adjustments necessary to give effect thereto being made through Surplus Account.

OPERATIONS FOR 1959-60

The Honourable James N. Allan, as Treasurer of Ontario, in his address to the Legislative Assembly of Ontario on February 25, 1959, presented budget forecasts of ordinary revenue and expenditure and of capital receipts and disbursements for the fiscal year ended March 31, 1960, and in his address to the Legislative Assembly of Ontario on February 25, 1960, presented interim statements of ordinary revenue and expenditure and of capital receipts and disbursements for the same fiscal year, consisting of nine months' actual results and three months' forecast.

The statements which follow compare the budget forecasts with the actual results for the fiscal year ended March 31, 1960. Comparative summaries of the interim statements (nine months' actual and three months' forecast) and the actual results are appended to this report together with certain other statements and charts presenting information on the financial operations of the Province as detailed on page 33 of this report.

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1959, TO MARCH 31, 1960**

DEPARTMENT	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture	\$ 1,540,000	\$ 1,541,426	\$ 1,426	\$
Attorney-General	5,826,000	6,337,023	511,023	
Economics		1,115	1,115	
Education	2,216,000	2,084,147		131,853
Energy Resources	312,000	252,826		59,174
Health	953,000	1,483,031	530,031	
Highways	1,600,000	1,386,634		213,366
Insurance	458,000	532,286	74,286	
Labour	703,000	981,429	278,429	
Lands and Forests	17,228,000	18,627,418	1,399,418	
Mines	11,370,000	14,213,349	2,843,349	
Municipal Affairs	282,000	349,081	67,081	
Planning and Development		749	749	
Prime Minister		38	38	
Provincial Secretary	2,063,000	2,313,234	250,234	
Public Welfare		119,526	119,526	
Public Works	225,000	347,330	122,330	
Reform Institutions	694,000	675,726		18,274
Transport	55,580,000	66,032,623	10,452,623	
Travel and Publicity	279,000	296,521	17,521	
Treasury:				
Main Office—Subsidy	3,641,000	3,640,940		60
Interest	71,000	71,136	136	
Miscellaneous		30,182	30,182	
Ontario Racing Commission	130,000	96,667		33,333
The Liquor Control Board of Ontario—				
Profits, etc.	70,000,000	76,300,000	6,300,000	
Transfer Fees	600,000	564,393		35,607
Confiscated Stock		64,771	64,771	
Public Utilities Tax	1,200,000	1,042,652		157,348
Comptroller of Revenue—				
Income Tax Rental Agreement	95,200,000	109,605,040	14,405,040	
Corporations Tax	160,000,000	175,850,437	15,850,437	
Gasoline Tax	146,000,000	152,158,907	6,158,907	
Motor Vehicle Fuel Tax	5,400,000	6,331,291	931,291	
Hospitals Tax	4,500,000	4,512,285	12,285	
Succession Duty	30,000,000	33,735,833	3,735,833	
Race Tracks Tax	5,200,000	5,347,783	147,783	
Security Transfer Tax	2,000,000	2,530,228	530,228	
Land Transfer Tax	4,000,000	4,130,799	130,799	
Law Stamps	1,300,000	1,548,997	248,997	
Logging Tax	2,000,000	1,624,002		375,998
Miscellaneous		1,464	1,464	
Water Rentals	5,232,000	5,437,293	205,293	
Total for Treasury	<u>\$536,474,000</u>	<u>\$584,625,100</u>	<u>\$48,753,446</u>	<u>\$ 602,346</u>
Stationery Account		\$ 268,981	\$ 268,981	
	<u>\$637,803,000</u>	<u>\$702,469,593</u>	<u>\$65,691,606</u>	<u>\$ 1,025,013</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1959, TO MARCH 31, 1960**

DEPARTMENT	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 15,326,000	\$ 14,951,242	\$	\$ 374,758
Attorney-General.....	20,098,000	22,424,112	2,326,112	
Economics.....	360,000	316,069		43,931
Education.....	202,284,300	203,859,896	1,575,596	
Energy Resources.....	368,000	497,662	129,662	
Health.....	77,097,000	83,626,383	6,529,383	
Highways:				
Maintenance and Administration	74,250,000	73,193,762		1,056,238
Appropriation to Highway Con- struction Account.....	15,000,000	15,000,000		
Insurance.....	415,000	383,599		31,401
Labour.....	2,821,000	2,798,048		22,952
Lands and Forests.....	25,890,000	23,029,901		2,860,099
Lieutenant-Governor.....	21,000	40,180	19,180	
Mines.....	1,591,000	1,500,896		90,104
Municipal Affairs.....	34,084,000	30,787,496		3,296,504
Planning and Development.....	9,162,000	5,555,330		3,606,670
Prime Minister.....	158,000	160,248	2,248	
Provincial Auditor.....	440,000	402,069		37,931
Provincial Secretary.....	3,428,200	3,641,142	212,942	
Public Welfare.....	49,233,000	44,623,954		4,609,046
Public Works.....	12,204,000	11,038,233		1,165,767
Reform Institutions.....	12,624,000	11,890,573		733,427
Transport.....	4,591,000	4,055,471		535,529
Travel and Publicity.....	1,876,700	2,027,102	150,402	
Treasury.....	10,864,800	11,592,512	727,712	
	<u>\$574,187,000</u>	<u>\$567,395,880</u>	<u>\$11,673,237</u>	<u>\$18,464,357</u>
Public Debt:				
Interest, etc.....	45,303,000	37,156,022		8,146,978
Provision for Sinking Funds....	18,054,000	31,054,000	13,000,000	
Total Budget.....	<u>\$637,544,000</u>	<u>\$635,605,902</u>	<u>\$24,673,237</u>	<u>\$26,611,335</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....		66,000,000	66,000,000	
	<u>\$637,544,000</u>	<u>\$701,605,902</u>	<u>\$90,673,237</u>	<u>\$26,611,335</u>

**COMPARATIVE SUMMARY
BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1959, TO MARCH 31, 1960**

	BUDGET	ACTUAL	ACTUAL To BUDGET
Net Ordinary Revenue.....	\$637,803,000	\$702,469,593	\$64,666,593
Less: Net Ordinary Expenditure (before items below).....	\$619,490,000	\$604,551,902	\$14,938,098
Provision for Sinking Funds.....	18,054,000	31,054,000	13,000,000
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....		66,000,000	66,000,000
Net Ordinary Expenditure.....	<u>\$637,544,000</u>	<u>\$701,605,902</u>	<u>\$64,061,902</u>
Surplus.....	<u>\$ 259,000</u>	<u>\$ 863,691</u>	<u>\$ 604,691</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1959, TO MARCH 31, 1960**

DEPARTMENT	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Education:				
Provincial Student-Aid Loans.....	\$	\$ 29,117	\$ 29,117	\$
Highways:				
Sale of Land and Buildings, etc....	550,000	1,262,241	712,241	
Contract Security Deposits.....		6,050	6,050	
Labour:				
Vacation-with-Pay Stamps.....	14,000,000	10,733,606		3,266,394
Other.....		900	900	
Lands and Forests:				
Sale of Land.....	520,000	607,538	87,538	
Logging Roads.....		200,323	200,323	
Contract Security Deposits.....		9,700	9,700	
Mines:				
Sale of Mining Lands.....	100,000	40,702		59,298
Planning and Development:				
The Housing Development Act—				
Recovery of Advances, etc.....	1,000,000	1,578,677	578,677	
Conservation Grants.....		134,904	134,904	
Public Welfare:				
Old Age Assistance Branch, etc....		6,911	6,911	
Public Works:				
Sale of Land and Buildings.....	1,000,000	169,311		830,689
Transport:				
Unsatisfied Judgment Fund:				
Fees, etc.....	3,600,000	4,370,190	770,190	
Treasury:				
Appropriations from Ordinary				
Account—				
Highway Construction Account..	15,000,000	15,000,000		
Provision for Sinking Funds....	18,054,000	31,054,000	13,000,000	
Loans and Advances—				
Sundry Loans and Advances.....	15,940,000	23,303,904	7,363,904	
Special Funds—				
Public Service Superannuation				
Fund.....	20,650,000	21,727,618	1,077,618	
Public Service Retirement Fund..	1,200,000	1,049,230		150,770
Other.....	576,000	3,955,138	3,379,138	
Premium, Discount and Foreign				
Exchange on Debentures.....	1,700,000	1,757,376	57,376	
Other.....		6,836	6,836	
	<u>\$93,890,000</u>	<u>\$117,004,272</u>	<u>\$27,421,423</u>	<u>\$4,307,151</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL DISBURSEMENTS
FOR THE FISCAL YEAR APRIL 1, 1959, TO MARCH 31, 1960**

DEPARTMENT	BUDGET CAPITAL DISBURSE- MENTS	NET ACTUAL CAPITAL DISBURSE- MENTS	ACTUAL To BUDGET	
			INCREASE	DECREASE
Agriculture:				
The Co-operative Loans Act—Loans	\$ 750,000	\$ 470,198	\$	\$ 279,802
Revolving Fund for The Ontario Telephone Development Corporation	135,000	33,225		101,775
Education:				
Provincial Student-Aid Loans	3,000,000	926,876		2,073,124
Highways:				
Highway Construction	100,172,000	89,349,515		10,822,485
Highway Construction charged to Highway Construction Account	40,000,000	40,000,000		
Development and Other Roads	9,800,000	8,095,947		1,704,053
Municipal Subsidies	37,000,000	37,866,178	866,178	
Contingencies	35,000	8,793		26,207
Labour:				
Vacation-with-Pay Stamps	14,000,000	10,521,723		3,478,277
Lands and Forests:				
Logging Roads	300,000	110,527		189,473
Forest Access Roads	1,200,000	805,256		394,744
Loans under The Forestry Act, 1952	100,000	75,240		24,760
Mines:				
Mining and Access Roads	1,500,000	1,498,736		1,264
Municipal Affairs:				
Mining Townsites	250,000			250,000
Improvement Districts—Advances and Purchase of Debentures	750,000	1,521,000	771,000	
Planning and Development:				
The Housing Development Act	6,500,000	2,465,742		4,034,258
Conservation	3,000,000	1,646,144		1,353,856
Public Welfare:				
Old Age Assistance Branch, etc		17,265	17,265	
Public Works:				
Purchase of Property and Construction of Buildings	52,000,000	40,034,731		11,965,269
Dams, Docks and Drainage Works	970,000	920,555		49,445
Ontario Water Resources Commission	26,500,000	12,668,825		13,831,175
Other	165,000			165,000
Transport:				
Unsatisfied Judgment Fund—Judgments, etc.	3,000,000	2,497,212		502,788
Treasury:				
Registry Offices Surplus Fees	300,000	417,074	117,074	
Guaranteed Debentures—S.W. & A. Rly. Co. —Interest	148,500	146,633		1,867
Tile Drainage Debentures	1,200,000	845,000		355,000
The Ontario Municipal Improvement Cor- poration—Advances		8,095,000	8,095,000	
The Ontario Junior Farmer Establishment Loan Corporation		2,900,000	2,900,000	
Government of Canada Repayment under Tax Rental Agreement 1952-56		11,967,885	11,967,885	
Town of Atikokan		54,028	54,028	
Refunds of Capital Receipts prior years	150,000	181,408	31,408	
Municipal Sinking Funds	107,500	106,086		1,414
Assistance for Rural Power Transmission Lines	1,850,000	1,324,254		525,746
Public Service Superannuation Fund	4,400,000	5,154,880	754,880	
Public Service Retirement Fund	1,100,000	1,085,090		14,910
Other		8,045	8,045	
	<u>\$310,383,000</u>	<u>\$283,819,071</u>	<u>\$25,582,763</u>	<u>\$52,146,6</u>
Less: Financed out of Ordinary Revenue		66,000,000	66,000,000	
	<u>\$310,383,000</u>	<u>\$217,819,071</u>	<u>\$40,417,237</u>	<u>\$52,146,6</u>

Estimated gross expenditure for the year, shown on page 5 of the 1960 estimates, was \$990,006,000. This amount does not include Supplementary Estimates of \$8,238,000 voted by the Legislature at the spring session in 1960. Taking the Supplementary Estimates into account the total Estimates for the year amounted to \$998,244,000. The actual gross expenditure was \$970,318,311, a net decrease of \$27,925,689.

In the Budget Statement presented by the Provincial Treasurer on February 25, 1959, as shown in the Statement of Current Operations on page 56, it was not anticipated that any Capital Disbursements would be financed out of Ordinary Revenue. The actual net revenue of the Province for the Fiscal Year ended March 31, 1960, permitted \$66,000,000 to be applied for this purpose.

The following analysis summarizes the net decrease in gross actual from total estimated gross expenditure.

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1960**

CLASSIFICATION	TOTAL ESTIMATES	GROSS ACTUAL	GROSS ACTUAL OVER ESTIMATES	GROSS ACTUAL UNDER ESTIMATES
Ordinary—				
Voted—				
Main Estimates.....	\$562,760,000			
Supplementary.....	8,238,000			
	<u>\$570,998,000</u>	<u>\$554,015,964</u>		<u>\$16,982,036</u>
Statutory.....	104,282,000	119,491,321	\$15,209,321	
Special Warrants.....		1,410,188	1,410,188	
Capital Disbursements financed out of Ordinary Revenue....		66,000,000	66,000,000	
	<u>\$675,280,000</u>	<u>\$740,917,473</u>	<u>\$82,619,509</u>	<u>\$16,982,036</u>
Capital—				
Voted—				
Main Estimates.....	\$270,708,000	\$220,618,243		\$50,089,757
Statutory.....	52,256,000	74,782,595	\$22,526,595	
	<u>\$322,964,000</u>	<u>\$295,400,838</u>	<u>\$22,526,595</u>	<u>\$50,089,757</u>
Deduct—				
Capital Disbursements financed out of Ordinary Revenue...		66,000,000	66,000,000	
	<u>\$322,964,000</u>	<u>\$229,400,838</u>	<u>\$43,473,405</u>	<u>\$50,089,757</u>
	<u>\$998,244,000</u>	<u>\$970,318,311</u>	<u>\$39,146,104</u>	<u>\$67,071,793</u>

**Summary of Net Increases or Decreases in Gross Actual as compared
with Total Estimates of Gross Expenditure**

CLASSIFICATION	INCREASE	DECREASE
Voted.....		\$67,071,793
Statutory.....	\$37,735,916	
Special Warrants.....	1,410,188	
	<u>\$39,146,104</u>	<u>\$67,071,793</u>

The net increases or decreases in gross actual as compared with total estimates of gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED

For the year under review, the Legislative Assembly authorized expenditure appropriations in the amount of \$841,706,000, comprising \$570,998,000 ordinary account and \$270,708,000 capital account. Actual gross expenditure charged to appropriations amounted to \$774,634,207, comprised of \$554,015,964 charged to ordinary account and \$220,618,243 to capital account. Thus the gross expenditure charged to appropriations authorized was \$67,071,793 less than the amount authorized. The principal under-expenditures in this amount relate to plant and equipment for the Ontario Water Resources Commission \$13,831,175, construction of new buildings \$11,965,269, construction of King's Highways \$10,822,485, expenditure under The Housing Development Act \$4,034,258, vacation-with-pay stamps claims \$3,478,277, redevelopment grants re public housing \$2,791,590, Provincial student-aid loans \$2,073,124, and Department of Public Welfare, grants for new and acquired buildings \$2,010,883.

In all cases where the actual expenditure exceeded the original appropriation, the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$9,535,300, consisting of \$6,799,300 ordinary account and \$2,736,000 capital account with actual expenditures relative thereto amounting to \$8,022,735, of which \$6,385,558 applied to ordinary account and \$1,637,177 to capital account. These expenditures form part of the total gross expenditure of \$774,634,207 referred to above and are not in addition thereto.

Full details of treasury board orders issued and the amounts expended under this authority will be found on pages 53-61 of this report.

It will be noted from the amounts shown in the Analysis of Gross Expenditure, that total Gross Actual Voted Expenditure, which includes amounts spent under authority of treasury board orders, is less than the total of the related gross estimates. The same situation exists with respect to Net Expenditure. The details for the last ten years are shown in graphic form on pages 40-41 of this report.

STATUTORY

The Estimates for the year 1959-60 forecast \$156,538,000 gross expenditure under statutory authority. This amount was divided \$104,282,000 to ordinary account and \$52,256,000 to capital account. Actual gross statutory expenditure amounted to \$194,273,916, consisting of \$119,491,321 ordinary expenditure and \$74,782,595 capital expenditure, excluding loan maturities and sinking fund investments. The actual total gross statutory outlay was greater than the estimates by \$37,735,916. The principal items of actual expenditure in excess of the amounts estimated were an additional Sinking Fund Provision of \$13,000,000, a refund to the Government of Canada, under the Tax Rental Agreement 1952-56, of \$11,967,885, advances to The Ontario Municipal Improvement Corporation \$8,095,000, advances to The Ontario Junior Farmer Establishment Loan Corporation \$2,900,000, and election expenditures of \$2,749,648. There was a decrease of \$1,174,365 in public debt interest.

SPECIAL WARRANTS

During the year expenditure in the amount of \$1,410,188 was made under Special Warrants by authority of subsection 1, section 30, of The Financial Administration Act, 1954.

Full details of the expenditures made under Special Warrants will be found on pages 62-63 of this report.

**PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1960**

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1960, showing the percentage of each item to the total, classified by major categories, is presented in the following statement:

NET ORDINARY REVENUE

		%
Corporations Tax.....	\$175,850,437	25.03
Gasoline Tax.....	152,158,907	21.66
Income Tax Rental Agreement.....	109,605,040	15.60
Liquor Profits, Gallonage Tax, etc.....	76,929,164	10.95
Motor Vehicle Licenses and Fees, etc.....	65,936,558	9.39
Succession Duty.....	33,735,833	4.80
Mines Profits Tax.....	12,908,669	1.84
Timber Dues, Bonus, etc.....	11,565,322	1.65
Motor Vehicle Fuel Tax.....	6,331,291	.90
Water Power Rentals.....	5,437,293	.77
Race Tracks Tax.....	5,347,783	.76
Fish and Wildlife Licenses, Royalties, etc.....	4,622,207	.66
Hospitals Tax.....	4,512,285	.64
Land Transfer Tax.....	4,130,799	.59
Government of Canada—Annual Subsidies.....	3,640,940	.52
All other revenues.....	29,757,065	4.24
	<u>\$702,469,593</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE

		%
Education.....	\$203,859,896	29.06
Highways and Roads—		
Maintenance and Administration.....	\$73,193,762	
Appropriation to Highway Construction Account.....	15,000,000	
	88,193,762	12.57
Health Services.....	83,626,383	11.92
Public Debt—		
Interest, etc.....	\$37,156,022	
Provision for Sinking Funds.....	31,054,000	
	68,210,022	9.72
Public Welfare.....	44,623,954	6.36
Grants based on The Municipal Unconditional		
Grants Act, 1953.....	23,995,953	3.42
Conservation of Forests, Fish and Wildlife.....	23,029,901	3.28
Law Enforcement.....	22,424,112	3.20
Agricultural Services, Grants, etc.....	14,951,242	2.13
Reform Institutions.....	11,890,573	1.69
Public Buildings, Maintenance and Repairs, etc.....	11,038,233	1.57
All other expenditures.....	39,761,871	5.67
	<u>\$635,605,902</u>	<u>90.59</u>
Capital Disbursements on Highways, Public Works, etc., financed		
out of Ordinary Revenue.....	66,000,000	9.41
	<u>\$701,605,902</u>	<u>100.00</u>

On pages 36-39 of this report will be found a graphic presentation of several of the major items on the previous page giving comparisons for the five years ended March 31, 1960.

GENERAL

Corporations tax, gasoline tax, the income tax rental agreement with the Federal Government, liquor control revenues, motor vehicle licenses and fees, and succession duty constitute the chief sources of ordinary revenue for the Province. Education, highway expenditures, health services, public debt charges, including provision for sinking funds, and welfare costs, are the principal items of ordinary expenditure, excluding capital disbursements financed out of ordinary revenue. The remaining revenue and expenditure operations continue to occupy a vital place in the overall programme of the Province and the individual totals while smaller in amount represent important services given or received.

I refer hereunder to some of the larger items of revenue and expenditure and other matters relating to the operations for the year ended March 31, 1960.

The Income Tax Rental Agreement Act, 1957, is still in effect and under the terms of the related agreement the Province received \$109,605,040 during the fiscal year ended March 31, 1960. After negotiation the rental for the fiscal year ended March 31, 1959, was increased from 10 per cent to 13 per cent by an amendment made by the Government of Canada to the Federal-Provincial Tax Sharing Arrangements Act. The increase in the provincial share was extended for another year to March 31, 1960, and has since been further extended to March 31, 1962.

During the fiscal year a payment of \$11,967,885 was made to the Government of Canada representing the excess of actual over estimated succession duty credits with respect to estates of persons whose deaths occurred during the five fiscal years between April 1, 1952, and March 31, 1957, pursuant to the provisions of The Corporations and Income Taxes Suspension Act, 1952. As this payment adjusts accounts of previous years it has been charged to Surplus Account as will all subsequent payments of this nature.

Mention was made in my previous report of representations then being made to the Government of Canada to arrive at a more acceptable settlement for the fiscal year 1957-58 under the terms of the Income Tax Rental Agreement. As a result of these representations and further assessment studies carried out by the Government of Canada the sum of \$429,816 was recovered by the Province during the fiscal year 1959-60.

During the year gross capital disbursements on King's Highways, Development Roads and Municipal Roads Subsidies, etc., amounted to \$175,320,433. This amount includes \$40,000,000 from the Highway Construction Account. The total of \$175,320,433 is an increase of \$15,999,441 over 1959. In addition

\$1,498,736 was spent on Mining Roads by the Department of Mines, while the Department of Lands and Forests spent \$805,256 on Forest Access Roads and \$110,527 on Logging Roads.

Capital disbursements were made to The Hydro-Electric Power Commission of Ontario in the amount of \$1,324,254 to assist in rural electrification projects. This amount, which represents a reduction of \$129,903 from the 1958-59 payment and a reduction of \$6,034,845 from the 1957-58 payment, reflects the fact that rural power installations have been substantially completed in most areas of the Province.

Land and Buildings have been added to during the year by gross capital disbursements of \$40,034,731. General Works and Improvements were added to by gross capital disbursements of \$2,641,939.

A provision for Sinking Funds in the amount of \$31,054,000 was made through ordinary account.

Contributions by the Province to the Teachers' Superannuation Fund and the Public Service Superannuation Fund amounted to \$12,500,905 and \$7,289,468 respectively, in accordance with the enactments relative thereto. In addition, a payment of \$1,000,000 has been made to each Fund as a special contribution from the Province to reduce the amount by which the estimated actuarial liabilities exceed the assets of the respective Funds. These special contributions, which have been received for a number of years, have been useful in funding a part of the actuarial deficit.

It is noted that the statutory triennial actuarial valuation of the Teachers' Superannuation Fund, due as at December 31, 1957, was not performed due to a delay caused by a change-over to more modern records in the office of the Teachers' Superannuation Commission. By a statutory amendment passed in 1960 the date was postponed to December 31, 1958, with subsequent examinations to be made triennially as in the past. The examination as at December 31, 1958, is now in progress. The reported deficit in this fund as at December 31, 1954, was \$178,314,900. Professor N. E. Sheppard, M.A., Fellow of The Institute of Actuaries, in his report of June 30, 1951, and again in his report of December 31, 1954, made the following observation:

"Except when one is dealing with a whole population of a country, male and female, the proper method or principle for financing pensions is to make provision for the pensions during the service lifetime of the contributors. Unless this is done, one of two groups is going to be very much disappointed in the future: either the younger contributors when they find that their own accumulated contributions have gone to pay current pensions to the older teachers, or the employer when he finds the evergrowing burden too great to bear (even though section 8 of the Act provides that yearly deficiencies will be paid from the Consolidated Revenue Fund of the Province)."

In the case of the Public Service Superannuation Fund the existing actuarial deficit is not known and will not be known until the next actuarial valuation is completed. The last valuation of this kind was made as at March 31, 1952, and showed a deficiency of \$46,220,000 at that date.

Commencing on April 1, 1957, every employee was required to contribute to the Fund an amount equal to six per cent of his salary instead of the lower rates previously in force. An actuarial valuation should be made immediately to determine the position of the Fund as eight years have elapsed since the last valuation. It is also recommended that, in future, valuations be made at regular intervals of not more than five years. The Province should continue the policy of making special contributions until another actuarial valuation can be made. Any deficit disclosed at that time could be funded over an agreed period of years.

AUDIT OF REVENUE

A continuous audit is being maintained of the revenues of the Province. The revenues of the various Departments have been examined in a systematic manner as has been the practice in previous years, employing all procedures deemed to be required in accordance with generally accepted auditing standards applicable in the circumstances.

It is important that efficient systems of internal control and methods of accounting should be in operation in all Departments. It is therefore standard procedure to review the existing methods followed in the various Departments visited in order to evaluate their effectiveness.

Comprehensive reports on the examinations were prepared and presented to the Ministers of the Departments concerned and to officials of Boards and Commissions. The information which is derived as a result of these examinations is of great value in assessing the efficiency of the accounting process and enables me to hold the opinion that a full accounting is being made of the revenues of the Province.

The amounts of the various service and license fees levied by the Province require periodic examination and comparison with current costs of services rendered. Although it would be inadvisable to expect to fully recover the costs of services rendered, an attempt is made to maintain a reasonable relationship between service fees and related administration costs. This responsibility rests with the Comptroller of Revenue who maintains a continuous review of the various fees charged by the Province.

AUDIT OF EXPENDITURE

From Confederation July 1, 1867 until 1886 responsibility for the audit of the records of the Province of Ontario was delegated to a branch of the Treasury Department. In 1886 the Legislative Assembly passed "An Act to provide for the better Auditing of the Public Accounts of the Province" which provided for the appointment of an officer to be called the Provincial Auditor and for the appointment of a staff to assist him in his duties. Under the present legislation the Provincial Auditor reports directly to the Legislative Assembly and serves in an independent capacity completely separate from existing Departments.

The Audit Office continues to be vigilant about ensuring control by the Legislature over public funds—to see that money is spent as directed, that it is spent economically and that a high standard of public morality is maintained in all financial transactions. Although the Auditor is not responsible for the efficient operation of the various Departments, he is an incentive to efficiency and a counterpart to the profit motive and competition in the commercial sense by virtue of his independent examination of accounts. The Auditor endeavours to provide for follow-up and correction of faults which occur from time to time in spite of the correctness of the accounts.

A new feature in government finances is becoming evident at this time. I have reference to the operation of the Ontario Northland Railway and The Ontario Junior Farmer Establishment Loan Corporation.

A review of the Ontario Northland Transportation Commission activities indicates that, while the Ontario Northland Railway has shown a profit for the year ended December 31, 1959, this is not a condition that can be expected to continue when viewed in the light of experience by the two major railways in this country and especially in view of the pending wage settlement. Furthermore it should be noted that the over-all operations of the railway, while showing a profit, did so only because of the highly successful operations reported by the communications branch.

With reference to The Ontario Junior Farmer Establishment Loan Corporation, I would point out that this agency of government operated at a loss of \$193,648 which wiped out the accumulated Reserve for Mortgage Loans—Principal and Interest, and left a deficit as at March 31, 1960, of \$29,470. To be noted is the fact that a deficit will continue to occur as much of the money loaned has been borrowed at rates in excess of those charged on loans. As the corporation ceased accepting applications for loans on January 12, 1960, the annual deficit should tend to decrease unless interest rates go higher.

In discussing the two instances mentioned above, I do so to point out that in the future it may be necessary to provide appropriations covering situations of this nature in order that the Public Accounts may reflect accurately the over-all picture of government operations.

BALANCE SHEET

The balance sheet of the Province does not include as an asset the value of Crown timber, mineral wealth and surface value of Crown lands, water power, fish, game and fur.

The balance sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

A condensed balance sheet follows showing the assets and liabilities of the Province of Ontario as at March 31, 1960.

PROVINCE OF ONTARIO
CONDENSED BALANCE SHEET
AS AT MARCH 31, 1960

ASSETS

Cash on Hand and in Banks.....	\$ 65,043,358
Temporary Investments.....	39,950,000
Loans and Advances.....	544,123,506
Government of Canada:	
Debt Account and Common School Fund.....	4,271,015
Highways, Buildings, etc.....	1,748,308,698
The Liquor Control Board of Ontario—Investment.....	19,424,602
Other Loans and Advances.....	619,617
Discount, Exchange and Premium on Debentures (less amount amortized) ...	13,009,048
Accounts Receivable (less Reserve).....	13,914,875
Accrued Interest on bonds securing Advances.....	2,951,907
Interest Receivable (less Reserve).....	553,000
Equipment, Stores and Materials (less Reserve).....	10,247,442
	<u>\$2,462,417,068</u>

LIABILITIES

Funded Debt (less sinking funds—\$198,303,702).....	\$1,393,580,798
Unfunded Debt.....	249,090,825
Accounts Payable.....	2,080,920
Accrued Interest on Funded Debt.....	17,496,305
	<u>\$1,662,248,848</u>
Reserves.....	6,290,449
Surplus.....	793,877,771
	<u>\$2,462,417,068</u>
Contingent Liabilities:	
Bonds, etc., Guaranteed by the Province.....	<u>\$1,465,042,589</u>

I report hereunder on certain of the Assets and Liabilities as shown on the Balance Sheet of the Province as at March 31, 1960, which appears in the Public Accounts for 1959-60 on pages 6-7.

ASSETS

CASH ON HAND AND IN BANKS—\$65,043,358

Cash in Chartered Banks.....	\$63,875,140
Province of Ontario Savings Office.....	1,168,218
	<u>\$65,043,358</u>

The balances in chartered banks for the account of the Treasurer of Ontario were verified by reconciliation with letters of confirmation received direct from the depositaries. It was also necessary to take into account a balance sheet adjustment made to segregate sinking fund moneys on deposit with the Treasurer of Ontario from other Provincial moneys on deposit at March 31, 1960.

Cash on hand in the various branches of the Province of Ontario Savings Office was certified by the branch managers and the cash on deposit in chartered banks has been confirmed by direct correspondence with the banks concerned. The various branches of the Savings Office were examined by Head Office inspectors during the year without advance notice being given to the personnel of the branches visited.

TEMPORARY INVESTMENTS—\$39,950,000

Government of Canada:	
Bonds and Short Term Securities.....	\$34,905,000
Ontario Northland Transportation Commission:	
Demand Notes.....	2,000,000
Canadian National Railway Company:	
Bonds.....	3,045,000
	<u>\$39,950,000</u>

The investments coming under this heading were made in order to make the most profitable use of funds temporarily surplus to normal requirements and were made under authority of section 21 of The Financial Administration Act, 1954. In dealing with purchases of short-term securities the vendors of the securities contract to pay interest at an agreed rate and to buy back the securities at a fixed date at the price paid by the Province. From time to time prior to the fixed date, securities may be exchanged for others acceptable to the Province. Securities held for temporary investment at March 31, 1960, were verified by actual count at the Securities Branch of the Treasury Department.

LOANS AND ADVANCES—\$544,123,506

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES SECURED BY BONDS—\$349,020,000

No new advances were made to the Commission during the fiscal year and repayment of \$4,311,000 was received by the Province. Upon receipt of this payment, bonds of the Commission held as security were released in an equivalent amount.

Bonds of the Commission in the amount of \$349,020,000 held in safekeeping in the Securities Branch of the Treasury Department as at March 31, 1960, were verified by actual count.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES—UNSECURED—\$30,313,623

During the period from 1909 to 1934 funds borrowed by the Commission under The Power Commission Act were in some instances obtained from the proceeds of certain Provincial debenture issues. As the related issues mature, the Commission repays the amount previously advanced. During the year ended March 31, 1960, the Commission repaid \$14,753,702 to the Province of Ontario on account of these unsecured advances. Of the above repayment, \$12,215,141 was for the account of the Southern Ontario System, and \$2,538,561 for Northern Ontario Properties. The Commission also pays the required interest and service charges in respect to its share of the Provincial debenture issues concerned. The balance of unsecured advances was \$30,313,623 as at March 31, 1960.

A schedule is here presented which shows the details of future repayments:

YEAR ENDED	SOUTHERN ONTARIO SYSTEM	NORTHERN ONTARIO PROPERTIES	TOTAL
March 31, 1961.....	\$12,641,565	\$2,802,417	\$15,443,982
1962.....	1,179,236	228,018	1,407,254
1963.....	1,228,570	237,639	1,466,209
1964.....	1,280,836	247,876	1,528,712
1965.....	1,334,523	258,411	1,592,934
1966.....	1,390,288	269,382	1,659,670
1967.....	1,448,643	280,861	1,729,504
1968.....	1,169,088	245,701	1,414,789
1969.....	1,218,332	256,147	1,474,479
1970.....	835,175	237,685	1,072,860
1971.....	871,461	247,897	1,119,358
1972.....	295,003	108,869	403,872
	<u>\$24,892,720</u>	<u>\$5,420,903</u>	<u>\$30,313,623</u>

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,935

This amount relates to advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By Order-in-Council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$3,802,332

The assets of Housing Corporation Limited have decreased by \$807,415 during the year. This is due mainly to repayment of mortgage loans principal in the amount of \$756,398 and a reduction of cash in bank of \$50,760. In the same period a reduction of \$800,000 has been made in the bank loan and an increase of \$28,450 in the bank overdraft. The Reserve for Mortgage Loans, principal and interest was reduced by \$35,019 to \$865,148 due to a loss on operations resulting from interest earned on mortgage loans being insufficient to meet interest and bank charges on borrowed funds.

Housing Corporation Limited was incorporated in May 1948, under a Provincial Charter with a nominal share capital, all of which is owned by the Province of Ontario.

The purpose of the Corporation was to facilitate the financing of new low-cost houses in Ontario. With this in view the Corporation advanced money by way of second mortgage up to a maximum of \$1,249.25 and not exceeding in any case the amount of cash contribution by the borrower. In the latter part of 1949 the Government of Canada expanded its facilities in this field, and Housing Corporation thereupon discontinued the receiving of applications for the advancing of moneys under second mortgages as of December, 1949.

The Corporation made loans on 14695 applications. As at March 31, 1960, there were 6089 loans in the course of repayment. This is a reduction of 612 loans within the past fiscal year. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

Housing Corporation Limited has financed its operations by bank loans evidenced by promissory notes and by bank overdraft guaranteed by the Province of Ontario pursuant to The Housing Development Act, R.S.O. 1950, Ch. 174. As of March 31, 1960, the Corporation had outstanding a note in the amount of \$2,900,000 bearing interest at $5\frac{1}{4}\%$ and maturing on April 21, 1960.

The general administrative expenses of Housing Corporation Limited have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of bank interest and bank collection charges on the mortgage repayments. However, in recent years, due to the increased rate of interest which the Corporation has to pay on borrowed funds, an operating deficit has occurred.

The assets and liabilities of Housing Corporation Limited have been included with the other accounts in the balance sheet of the Province. The balance sheet of Housing Corporation Limited is also shown separately in the Public Accounts for 1959-60 on page 62.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION—
INVESTMENTS—\$23,812,676

The Ontario Junior Farmer Establishment Loan Corporation was incorporated without share capital by The Junior Farmer Establishment Act, 1952. The Corporation ceased accepting applications for loans on January 12, 1960, to avoid duplication with the new Farm Credit Corporation of the Government of Canada. Prior to that date some 3900 loans, totalling \$29 million had been granted to assist young qualified farmers in the establishment, development and operation of their farms.

The Corporation had outstanding as of March 31, 1960, on the security of first mortgages the amount of \$22,692,157. The accrued interest in respect of these loans amounted as of that date to \$484,572. The Company financed such loans in part by way of bank loan and bank overdraft to the extent of \$6,641,812, both guaranteed by the Province of Ontario. There was outstanding as of March 31, 1960, \$3,000,000 of 2% debentures maturing January 19,

1961, and \$11,000,000 of 4½% debentures maturing October 1, 1976, also guaranteed by the Province. The accrued interest on the debentures as of March 31, 1960, amounted to \$258,008. In addition, the Corporation is indebted to the Treasurer of Ontario for an advance of \$2,900,000.

The general administrative expenses of the Corporation have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of bank and debenture interest and sundry charges on the mortgage payments. In the early years of operation the interest revenues were more than sufficient to meet the cost of borrowed money but in each of the last three years a deficit on operations has occurred due to the rise in the cost of borrowed money. The deficit for the year ended March 31, 1960, was \$193,648.

The assets and liabilities of The Ontario Junior Farmer Establishment Loan Corporation have been included with the other assets in the balance sheet of the Province. The balance sheet of The Ontario Junior Farmer Establishment Loan Corporation is also shown separately in the Public Accounts for 1959-60 on page 63.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—

INVESTMENTS—\$54,461,430

The Ontario Municipal Improvement Corporation was incorporated without share capital by an Act of the 1950 Legislature. The Corporation has as its object the purchase from municipalities or school boards in Ontario of debentures issued by them for certain municipal works and undertakings.

Subject to the approval of the Lieutenant-Governor in Council and to the borrowing limitation referred to below, the Corporation may borrow such sums of money as it deems necessary for its purposes by the issue and sale of debentures, bills or notes and by temporary loans any of which may be guaranteed by the Province of Ontario. The Lieutenant-Governor in Council may authorize the Treasurer of Ontario to purchase any debentures, bills or notes of the Corporation and to make advances to the Corporation in such amounts as the Lieutenant-Governor in Council may deem expedient. The Corporation, however, may not borrow any money, except to repay securities issued by the Corporation or to repay advances from the Treasurer of Ontario, if, after giving effect to such borrowing, the aggregate principal amount of the outstanding debt of the Corporation would exceed \$150,000,000.

As at March 31, 1960, the Corporation held debentures of Ontario municipalities and school boards having a par value of \$52,788,089. The related book value was \$52,617,332. This amount, together with accrued interest receivable of \$1,103,563, and net discount of \$740,535 on debentures issued make up the Province's investment of \$54,461,430.

The assets and liabilities of The Ontario Municipal Improvement Corporation are also shown separately in the Public Accounts for 1959-60 on page 65.

The general administrative expenses of the Corporation have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of interest on borrowed funds, etc., resulting in a profit as shown by the financial statements in the Public Accounts for 1959-60 on page 66.

A schedule of debentures of Ontario Municipalities and School Boards held by the Corporation at March 31, 1960, is presented on pages 43-49 of this report. These debentures are held in safekeeping by the Securities Branch of the Treasury Department and were verified by actual count at March 31, 1960.

THE HOUSING DEVELOPMENT ACT—

ADVANCES—\$13,764,666

During the year capital advances of \$2,465,742 were made under authority of the above Act in connection with certain joint housing projects which are controlled by the Government of Canada and the Province of Ontario acting in partnership to provide needed housing accommodation in Ontario.

In the same period \$1,578,677 has been received and applied as a reduction of the above advances pending any subsequent adjustments which may become necessary upon the completion of the various projects.

THE ONTARIO TELEPHONE DEVELOPMENT CORPORATION—

ADVANCES—\$722,525

These advances have been provided to enable the Corporation to acquire construct, operate, maintain and sell telephone systems in rural areas in order to improve local telephone service. During the year the Province advanced \$33,225 to the Corporation. As no repayments were received the total advance now stands at \$722,525.

ONTARIO WATER RESOURCES COMMISSION—

ADVANCES—\$23,528,122

This Commission was established to work with communities in every part of Ontario for the development of water supply systems or sewage treatment and pollution abatement works. Projects undertaken must be self-liquidating, producing over a reasonable time a revenue that will cover operating costs, interest charges and debt retirement.

During the fiscal year ended March 31, 1960, there was a net increase of \$12,668,825 in this account including capitalized interest charges of \$295,754 calculated to December 31, 1959.

PROVINCIAL STUDENT-AID LOANS—\$1,442,374

By an amendment to The Department of Education Act made in 1958, the Provincial Student-Aid Loan Fund was established to aid students of ability who are desirous of continuing their education beyond the secondary school level and who need assistance. The loans are repayable with interest at 4 per cent per annum commencing upon the first of April following graduation. During the fiscal year ending March 31, 1960, loans were made to some 2,198 students for a total value of \$926,876. Repayments in the same period amounted to \$29,117.

MUNICIPALITIES, ETC.—\$12,969,326

The Co-operative Loans Act, 1956—Loans	\$ 2,515,902
Drainage Debentures	3,698,141
Municipal Debentures—	
City of Windsor	1,173,131
Improvement District of Elliot Lake	4,010,200
Improvement District of Manitowadge	601,400
Town of Atikokan	51,700
Sandwich, Windsor and Amherstburg Railway Company—Bonds	900,000
Miscellaneous	18,852
	<u>\$12,969,326</u>

Loans made under The Co-operative Loans Act, 1956, had a net increase of \$64,021 during the year under review. The total of Drainage Debentures outstanding increased by a net amount of \$358,934 to a total of \$3,698,141. These debentures are held in safekeeping by the Canadian Bank of Commerce and were confirmed by letter received direct from the depository. The various municipal debentures and the bonds of the Sandwich, Windsor and Amherstburg Railway Company were held in safekeeping as at March 31, 1960, by the Securities Branch of the Treasury Department and were confirmed by actual count. The Sandwich, Windsor and Amherstburg Railway Company met a maturity of \$50,000 during the year and the City of Windsor paid off \$60,198 of its debentures at the various due dates during the year.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—

INVESTMENTS—\$78,497

The Farm Loans Act—Farm Loans Associations	\$36,352
—Capital Stock in Associations	2,145
Municipal Debentures—Village of West Lorne	40,000
	<u>\$78,497</u>

During the year \$5,612 was received from the Village of West Lorne to meet a maturing debenture.

GOVERNMENT OF CANADA—\$4,271,015

Debt Account	\$2,848,290
Common School Fund	1,422,725
	<u>\$4,271,015</u>

Details of these two accounts have been given in my report for 1958-59. No changes have occurred during the year. In accordance with existing arrangements 5 per cent interest has been received during the year from the Government of Canada on the outstanding balances.

HIGHWAYS, BUILDINGS, ETC.—\$1,748,308,698

Highways and Roads	\$1,436,335,271	
Less—Capital Disbursements to October 31, 1930, written off	146,419,807	\$1,289,915,464
Rural Power Transmission Lines Bonus 1927-60	\$ 113,085,883	
Less—Capital Disbursements to October 31, 1930, written off	4,599,944	108,485,939
Land, Buildings, Public Works, etc.		337,009,908
Niagara Parks Commission—Surplus of Assets (October 31, 1959)		6,732,843
The Ontario-St. Lawrence Development Commission—Surplus of Assets		6,164,544
		<u>\$1,748,308,698</u>

During the year the investment in Highways and Roads was increased by a net amount of \$176,272,388. This represents net capital disbursements of \$175,320,433 on highways which includes \$40,000,000 expended through Highway Construction Account, together with \$805,256 spent on forest access roads, \$1,498,736 spent on mining roads and \$110,527 spent on logging roads less net capital receipts of \$1,262,241 applied to highways and \$200,323 applied to logging roads. The accumulated net capital disbursements to date on highways and roads amount to \$1,289,915,464.

The highways built prior to 1930 have for the most part lost their usefulness and have become either obsolete or have disappeared under new construction to such an extent that it is considered that their original value has disappeared and therefore the cost of construction should be written off. Accordingly the highway capital disbursements made prior to October 31, 1929, in the amount of \$127,813,419 have been written off in prior years and charged to Surplus and in the current year a further amount of \$18,606,388 being highway capital disbursements for the fiscal year ended October 31, 1930, has been written off. These two amounts totalling \$146,419,807 when deducted from the total disbursements leave a net book value at March 31, 1960, of \$1,289,915,464.

The Rural Power Transmission Lines constructed prior to October 31, 1930, have since that date been substantially reconstructed or replaced and therefore it has been decided to write off Rural Power Bonuses paid prior to October 31, 1930. Accordingly the capital disbursements made prior to October 31, 1929, in the amount of \$2,910,780 have been written off in previous years and charged to Surplus and in the current year a further amount of \$1,689,164 being Rural Power Transmission Bonus for the fiscal year ended October 31, 1930, has been written off. These two amounts totalling \$4,599,944 when deducted from the total disbursements leave a net book value at March 31, 1960, of \$108,485,939.

Net increases were made to the value of Lands, Buildings, Public Works, etc., during the year in the amount of \$42,404,724. This is made up of a net increase in Land and Buildings of \$39,863,288, an investment of \$757,882 in Provincial Parks and an increase of \$1,783,554 in General Works and Improvements. No depreciation has been accrued on Land, Buildings, Public Works, etc.

The Surplus Account of The Niagara Parks Commission, as at the close of its fiscal year, October 31, 1959, showed a balance of \$6,732,843, which is included in the accounts of the Province by authority of subsection 2 of section 14 of The Niagara Parks Act. This amount has been brought on the balance sheet by an adjustment through Surplus Account.

The assets of The Ontario-St. Lawrence Development Commission as per the balance sheet of the Commission as at March 31, 1960, amount to \$6,164,544. This figure includes an amount of \$1,721,945 representing expenditures for fixed assets made through ordinary account during the fiscal year ended March 31, 1960. This latter amount has been brought on the balance sheet of the Province by an adjustment through Surplus Account.

THE LIQUOR CONTROL BOARD OF ONTARIO—

INVESTMENT—\$19,424,602

This amount represents the appropriated Surplus of The Liquor Control Board of Ontario as at March 31, 1960. It is the amount required by the Board for financing Accounts Receivable, Inventories, Prepaid Charges and Fixed Assets (less reserves). This asset has been brought on the balance sheet by an adjustment through Surplus Account.

OTHER LOANS AND ADVANCES—\$619,617

The Co-operative Loans Act, 1956—Loans.....	\$ 90,197
Guaranteed Debentures and Interest Coupons redeemed by the Province of Ontario.....	256,879
Home Bank (in Liquidation) Balance.....	213,000
Settlers' Loans.....	58,011
Mothers' Allowances—Municipalities.....	1,530
	<u>\$619,617</u>

The items in this group continue to be in arrears or default. During the year recoveries were made in the amount of \$11,242 of which \$5,966 was for Loans under The Co-operative Loan Act, 1956, \$3,696 was on account of guaranteed debentures and \$1,580 was for Settlers' Loans.

These assets are carried at book value as the amounts which may be ultimately realized cannot be determined at this time.

DISCOUNT, EXCHANGE AND PREMIUM ON DEBENTURES (less amount amortized)—\$13,009,048

Discounts, Exchange and Premiums on Provincial debenture issues are amortized in each case over the term of the related issue. The unamortized balances making up the above total are shown in detail in the Public Accounts of Ontario for 1959-60 on page 55.

ACCOUNTS RECEIVABLE (less Reserve)—\$13,914,875

This is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for doubtful accounts and includes \$3,795,993 representing the unappropriated surplus of The Liqor

Control Board of Ontario in the amount of \$3,722,693 together with amounts currently owing to the Province of Ontario in the amount of \$73,300 as shown by the balance sheet of the Board as at March 31, 1960.

The details of the accounts receivable were submitted by Departmental accountants. The reserves provided are considered adequate. This asset has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON BONDS SECURING ADVANCES TO

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—\$2,951,907

The above amount represents interest accrued but not yet due at March 31, 1960. This asset has been brought on the balance sheet by an adjustment through Surplus Account. The principal amount of the bonds held is \$349,020,000 and is referred to earlier in this report.

INTEREST RECEIVABLE (less Reserve)—THE AGRICULTURAL

DEVELOPMENT FINANCE ACT—\$553,000

There is owing to the Treasurer of Ontario \$2,253,000 for interest due and accrued on the former debentures of the Agricultural Development Board. A reserve of \$1,700,000 is provided against the \$2,253,000 since a deficit of \$1,059,132 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectable. This reserve stood previously at \$2,200,000 but was considered to be too large. Accordingly \$500,000 was transferred to the Reserve for Farm Loans. During the year interest due and accrued was reduced by \$418,728 as compared with a reduction of \$265,939 in the previous year. This account has been brought on the balance sheet by an adjustment through Surplus Account.

EQUIPMENT STORES AND MATERIALS—\$10,247,442

Inventories of equipment, stores and materials, as compiled by the various Departments, are shown in total above after the deduction of reserves which are considered sufficient to reduce the gross inventory totals to a conservative valuation. Inventories are valued as in previous years on a basis not exceeding cost. This account has been brought on the balance sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$1,393,580,798

Stock and Debentures.....	\$1,590,984,500
Less—Sinking Funds.....	198,303,702
	<hr/>
	\$1,392,680,798
6% Bonds of the Sandwich, Windsor and Amherstburg Railway Com- pany due July 1, 1961—Principal liability assumed by Province....	900,000
	<hr/>
	\$1,393,580,798
	<hr/>

The details of Stock and Debentures outstanding at March 31, 1960, are shown in the Public Accounts for 1959-60 on page 57.

The Sinking Funds amount to \$198,303,702 of which \$28,541,702 is on deposit with the Treasurer of Ontario. The securities held are shown on page 56 of the Public Accounts for 1959-60 and consist of issues of the Province of Ontario, The Hydro-Electric Power Commission of Ontario, the Ontario Northland Transportation Commission, the Sandwich, Windsor and Amherstburg Railway Company, the University of Toronto and the Government of Canada. These bonds were verified by actual count as at March 31, 1960, in the Securities Branch of the Treasury Department. The funds on deposit have been verified from the records of the Treasurer of Ontario.

UNFUNDED DEBT—\$249,090,825

DEMAND DEPOSITS WITH THE PROVINCE OF
ONTARIO SAVINGS OFFICE—\$73,852,375

This amount is made up of current deposits of \$73,778,280 and unclaimed balances of \$74,095. These accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to depositors is similar to the liability of a chartered bank in regard to savings deposits.

The Agricultural Development Finance Act, 1921 (11 George V, Ch. 31), empowered the Province to borrow money by means of deposits and to open offices for this purpose at various points in the Province. The Treasurer of Ontario is authorized to fix the conditions as to interest and repayments governing such deposits, the rate of interest to be not more than 4% per annum. The present legislation relating to the Savings Office is found in the Revised Statutes of Ontario, 1950, Chapter 11. Under the existing legislation the moneys borrowed by way of these deposits may be used for the general purposes of the Province.

SPECIAL FUNDS—\$110,969,490

PUBLIC SERVICE SUPERANNUATION FUND—\$90,920,742

During the year the funds of the Public Service Superannuation Fund on deposit with the Provincial Treasurer increased by a net amount of \$16,572,738 to a total of \$90,920,742 as at March 31, 1960.

PUBLIC SERVICE RETIREMENT FUND—\$1,074,190

During the year the funds of the Public Service Retirement Fund decreased by \$35,860 to a total of \$1,074,190 as at March 31, 1960.

OTHER—\$18,974,558

The funds held for redemption of vacation-with-pay stamps increased by \$211,883 to a total of \$7,696,935. The funds held for the Unsatisfied Judgment Fund have increased by \$1,872,978 to a total of \$5,282,232 as at March 31, 1960.

HOUSING CORPORATION LIMITED—

LIABILITIES—\$2,937,174

The liabilities of Housing Corporation Limited consist mainly of a bank loan of \$2,900,000 guaranteed by the Province of Ontario. During the year the bank loan was reduced by \$800,000.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT
LOAN CORPORATION—LIABILITIES—\$20,942,146

The liabilities of the Ontario Junior Farmer Establishment Loan Corporation consist mainly of a bank loan of \$6,200,000, a bank overdraft of \$441,812, outstanding debentures of \$14,000,000 and accrued interest on debentures of \$258,008, all guaranteed by the Province of Ontario.

In addition the Corporation is indebted to the Treasurer of Ontario for an advance of \$2,900,000. This item has been eliminated by contra in the preparation of the balance sheet of the Province.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—
LIABILITIES—\$40,389,640

The liabilities of The Ontario Municipal Improvement Corporation include outstanding debentures of \$38,350,000, a bank overdraft of \$1,345,739 and accrued debenture interest of \$679,796. These three items plus accrued interest on bank overdraft of \$14,105 make up the above total of \$40,389,640.

In addition the Corporation is indebted to the Treasurer of Ontario for a net advance of \$12,478,640. This item has been eliminated by contra in the preparation of the balance sheet of the Province.

HIGHWAY CONSTRUCTION ACCOUNT—nil

This account does not appear on the balance sheet as at March 31, 1960. During the past year \$40,000,000 was spent from the account. This amount was made up of the opening balance of \$25,000,000 together with a further \$15,000,000 voted by the Legislature and leaves no closing balance in the account which is now discontinued.

ACCOUNTS PAYABLE—\$2,080,920

The largest departmental total contained in this amount is \$1,895,151 for Lands and Forests and arises from timber deposits and other liabilities of the department. The remaining \$185,769 represents the value of goods received and services rendered during the year which had not been paid for at March 31, 1960, by the departments. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$17,496,305

Interest accrued but not yet due at March 31, 1960, on debentures outstanding in the hands of the public, accounts for \$17,486,030 of the above total. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

RESERVES—\$6,290,449

There has been a net increase of \$819,918 in this account. This is due mainly to a credit of \$500,000 to Reserve for Farm Loans transferred from the Reserve for Interest Receivable on Agricultural Development Board Debentures, a credit of \$562,225 to the General Reserve of The Ontario Municipal Improvement

Corporation, less a reduction of \$193,648 due to a deficit in the operations of The Ontario Junior Farmer Establishment Loan Corporation, of which \$164,178 was charged to the Corporation's Reserve for Mortgage Loans, principal and interest and \$29,470 to Reserve for Farm Loans, and less a reduction of \$35,019 due to a deficit in the operations of Housing Corporation Limited charged to the Corporation's Reserve for Mortgage Loans—Principal and Interest.

SURPLUS—\$793,877,771

Surplus Account has been increased during the fiscal year by a net amount of \$110,281,876. The principal items credited to Surplus Account during the fiscal year were Surplus on Ordinary Account \$863,691, Provision for Sinking Funds \$31,054,000, disbursements charged to Highway Construction Account during the fiscal year \$40,000,000, capital disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue, \$66,000,000, capitalization of expenditures on Provincial Parks and The Ontario-St. Lawrence Development Commission \$2,479,827 and a net amount of \$2,722,813 relating to year-end adjustments of accounts receivable and payable, stores and materials and accrued interest, etc.

During the fiscal year Surplus Account has been reduced by Highway Capital Disbursements for the fiscal year ended October 31, 1930, amounting to \$18,606,388 written off, Rural Power Transmission Lines Bonus for the fiscal year ended October 31, 1930, amounting to \$1,689,164 written off, a transfer in the amount of \$500,000 to the Reserve for Farm Loans, Loans under The Forestry Act, 1952, in the year ended March 31, 1960, in the amount of \$75,240 now deemed to be grants by an amendment made in 1960 to the statute, and a repayment to the Government of Canada of \$11,967,885 under the Canada-Ontario Tax Rental Agreement 1952.

Details of the changes in Surplus Account for the year are shown in the Public Accounts for 1959-60 on page 8.

CONTINGENT LIABILITIES—\$1,465,042,589

Bonds, etc., guaranteed by the Province of Ontario, as at March 31, 1960	\$1,492,543,589
Less—Held in Sinking Funds and Temporary Investments.....	27,501,000
	<u>\$1,465,042,589</u>

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, Railways, Schools, a Municipality, a Commission and a University, etc., as shown on pages 67-69 of the Public Accounts for 1959-60 are in accordance with the authority granted in the governing statutes.

During the fiscal year guarantees of bonds, etc., increased by a net amount of \$85,652,588. This is due mainly to a net increase of \$85,678,000 in issues of The Hydro-Electric Power Commission of Ontario, \$1,153,000 in issues of the Ontario Northland Transportation Commission and a net reduction of \$1,165,986 in obligations of Co-operative Associations.

The amount of contingent liabilities shown on the balance sheet of the Province of Ontario is net of guaranteed obligations held in the sinking funds and temporary investments of the Province of Ontario. For further details see page 70 of the Public Accounts for 1959-60.

CHARTS AND STATEMENTS

Charts showing the trend in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ended March 31, 1960, are appended to this report on pages 34-35. The difference between Gross and Net Provincial Debt and Gross and Net Capital Debt is explained in my report for 1953-54 on page 30. Charts showing the trend in certain major items of Net Ordinary Revenue and Expenditure appear on pages 36-39 of this report. A chart showing comparisons between Estimated and Actual Net Ordinary Voted Expenditure for the ten years ended March 31, 1960 and a chart showing comparisons between Estimated and Actual Net Capital Voted Expenditure for the ten years ended March 31, 1960 are appended on pages 40-41.

The following statements for the fiscal year April 1, 1959, to March 31, 1960 will be found on pages 42-52:

Source and Application of Funds

Debentures of Ontario Municipalities and School Boards held by The Ontario Municipal Improvement Corporation as at March 31, 1960

Comparative Statement of Net Interim and Actual Ordinary Revenue

Comparative Statement of Net Interim and Actual Ordinary Expenditure

Comparative Summary of Net Interim and Actual Ordinary Revenue and Ordinary Expenditure

Comparative Statement of Net Interim and Actual Capital Receipts

Comparative Statement of Net Interim and Actual Capital Disbursements.

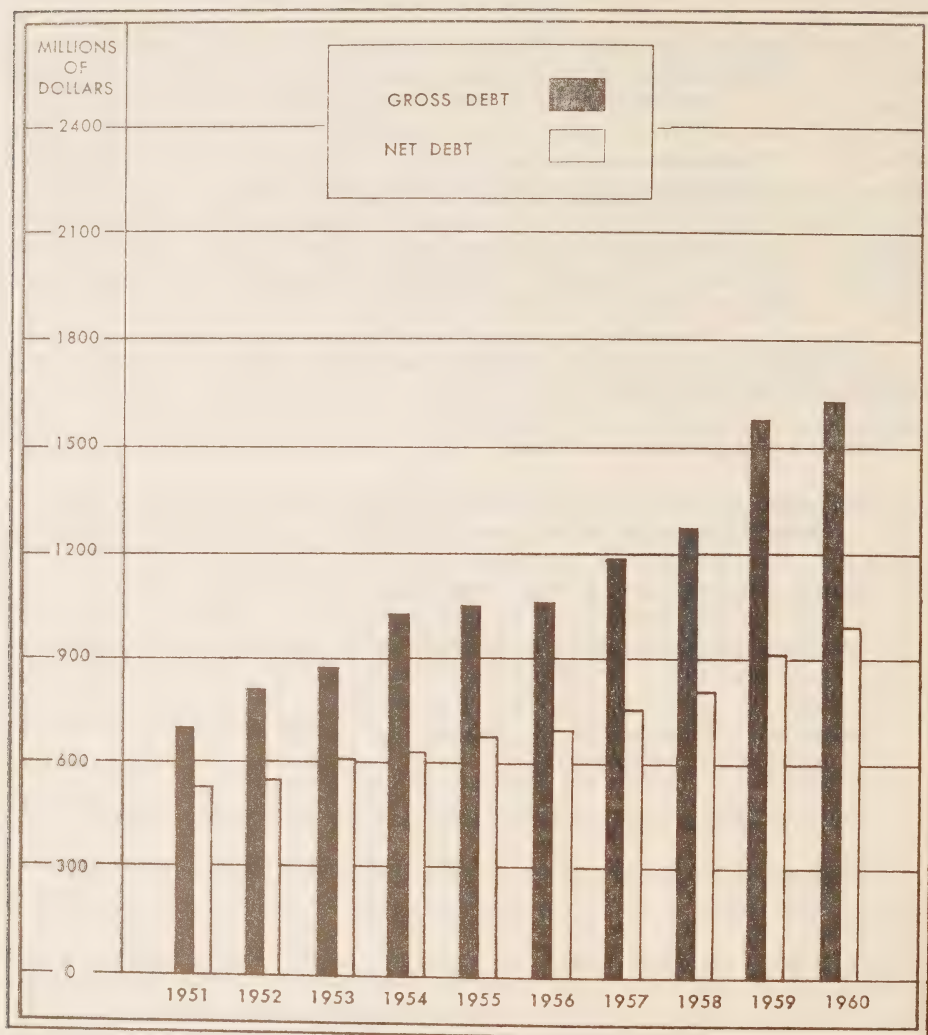
Statements showing details of Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1960, and Special Warrants issued during the fiscal year ended March 31, 1960, are submitted in separate sections immediately following the statements referred to above.

I am very pleased to have this opportunity to acknowledge the willing co-operation and effective help of the officials and staff of the various Departments, Boards and Commissions during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 22, 1960.

GROSS AND NET DEBT*
FOR THE TEN YEARS ENDED MARCH 31, 1960

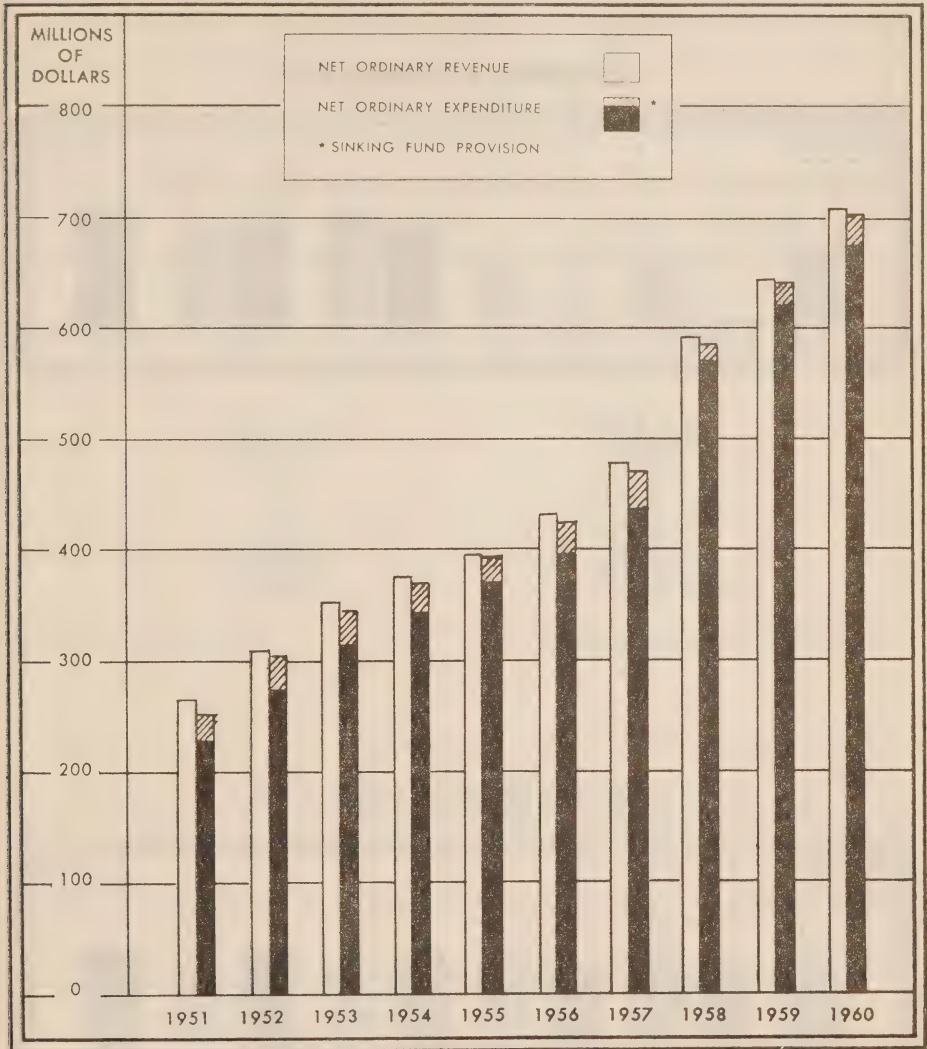


Gross and Net Debt per Public Accounts*

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1951	\$ 697,963,424	\$ 521,550,164
1952	826,228,266	554,634,804
1953	884,231,206	604,832,094
1954	1,035,484,085	629,995,642
1955	1,066,160,741	660,725,169
1956	1,072,409,119	705,306,145
1957	1,196,707,469	758,277,702
1958	1,285,809,989	818,606,441
1959	1,579,113,325	900,532,098
1960	1,642,671,624	993,554,760

*Gross and Net Provincial Debt, 1951-1952.
 Gross and Net Capital Debt, 1953-1960.

**NET ORDINARY REVENUE AND EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1960**

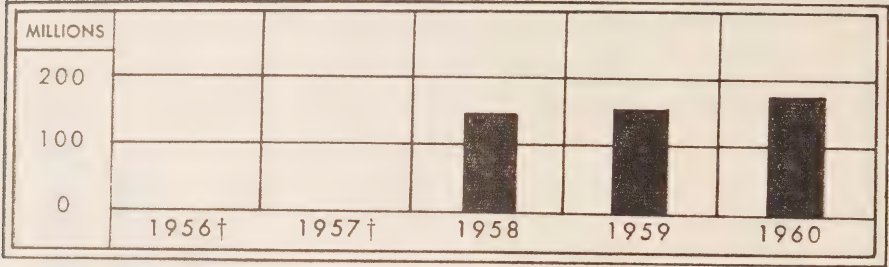


YEAR ENDED MARCH 31	NET ORDINARY REVENUE	NET ORDINARY EXPENDITURE	*SINKING FUND PROVISION
1951	\$ 265,272,107	\$ 249,788,424	\$ 21,698,000
1952	302,320,999	301,259,560	34,276,000
1953	349,500,385	348,399,514	30,859,000
1954	372,973,316	372,040,302	29,945,000
1955	399,393,284	399,249,638	21,536,000
1956	427,969,363	425,464,481	32,630,000
1957	479,783,191	477,978,640	40,729,000
1958	591,849,092	590,983,062	17,833,000
1959	642,374,233	642,070,163	17,941,000
1960	702,469,593	701,605,902	31,054,000

*Included in Net Ordinary Expenditure.

MAJOR ITEMS OF NET
COMPARED FOR THE FIVE

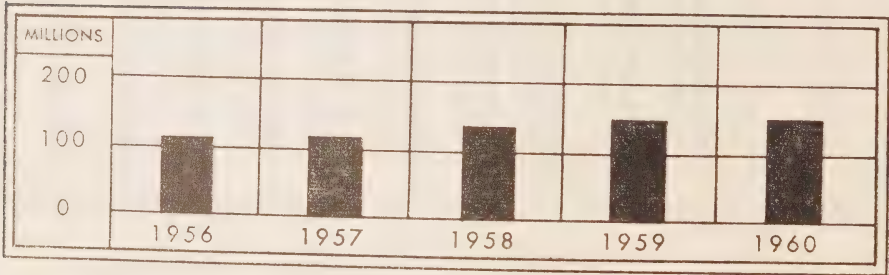
CORPORATIONS TAX



YEAR ENDED MARCH 31	AMOUNT
1956	\$.....†
1957†
1958	148,015,496
1959	158,783,059
1960	175,850,437

†Included in Tax Rental Agreement.

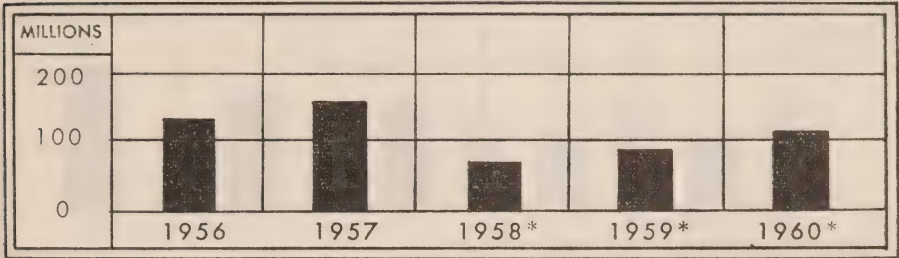
GASOLINE TAX



YEAR ENDED MARCH 31	AMOUNT
1956	\$103,815,191
1957	112,970,087
1958	138,532,259
1959	145,912,609
1960	152,158,907

ORDINARY REVENUE
YEARS ENDED MARCH 31, 1960

TAX RENTAL AGREEMENT



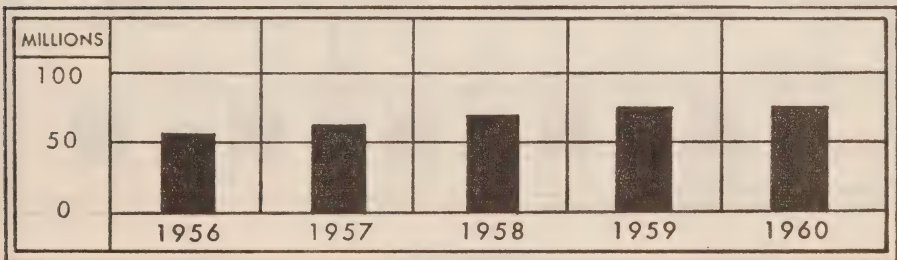
YEAR ENDED
MARCH 31

AMOUNT

1956	.....	\$138,345,269
1957	.....	160,558,129
1958	.....	74,379,000*
1959	.....	89,928,000*
1960	.....	109,605,040*

*Income Tax Rental Only.

LIQUOR CONTROL REVENUES



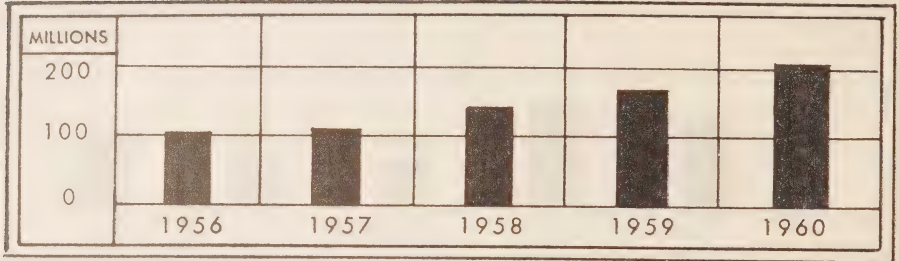
YEAR ENDED
MARCH 31

AMOUNT

1956	.....	\$51,325,662
1957	.....	56,593,688
1958	.....	66,672,601
1959	.....	76,538,570
1960	.....	76,929,164

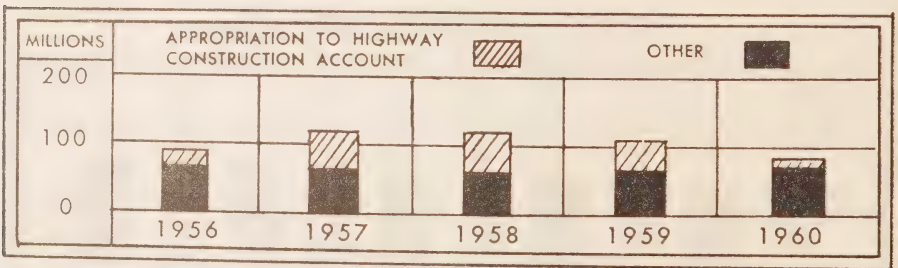
MAJOR ITEMS OF NET
COMPARED FOR THE FIVE

EDUCATION



YEAR ENDED MARCH 31	AMOUNT
1956	\$100,141,333
1957	107,395,641
1958	141,659,812
1959	176,519,991
1960	203,859,896

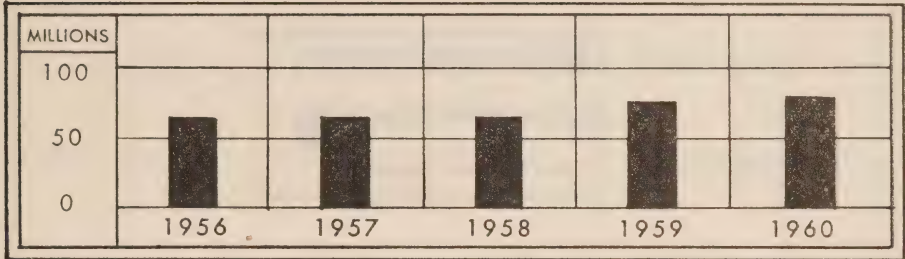
HIGHWAYS AND ROADS, MAINTENANCE, GRANTS, Etc.



YEAR ENDED MARCH 31	APPROPRIATION TO HIGHWAY CONSTRUCTION ACCOUNT	OTHER	TOTAL
1956	\$28,500,000	\$66,689,016	\$ 95,189,016
1957	57,500,000	64,781,971	122,281,971
1958	57,500,000	64,425,985	121,925,985
1959	45,000,000	68,226,243	113,226,243
1960	15,000,000	73,193,762	88,193,762

ORDINARY EXPENDITURE
YEARS ENDED MARCH 31, 1960

HEALTH SERVICES

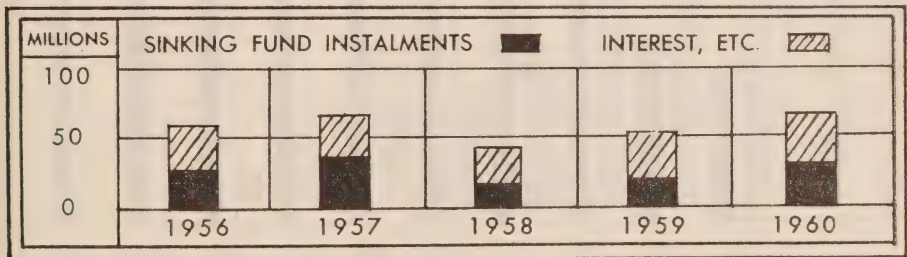


YEAR ENDED
MARCH 31

AMOUNT

1956	.....	\$59,369,132
1957	.....	62,500,398
1958	.....	65,965,085
1959	.....	76,983,395
1960	.....	83,626,383

PUBLIC DEBT



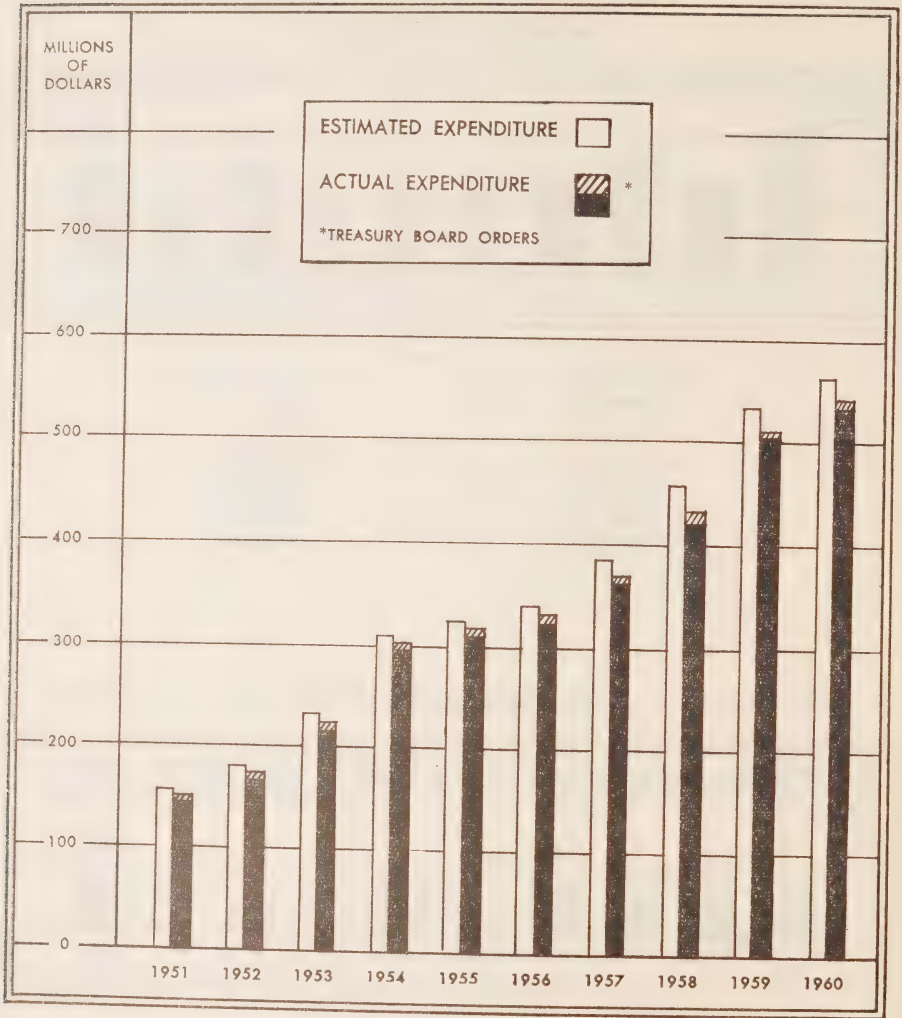
YEAR ENDED
MARCH 31

SINKING FUND
INSTALMENTS

INTEREST
ETC.

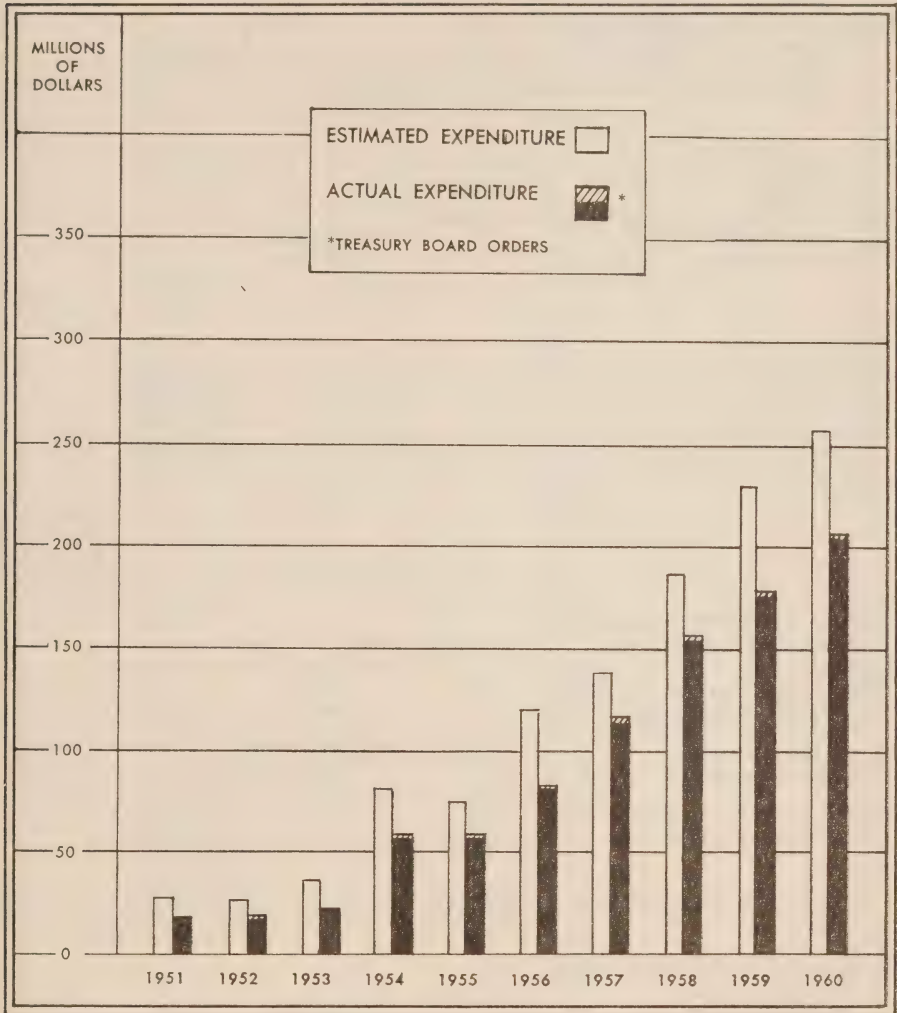
1956	.....	\$32,630,000	\$25,463,498
1957	.....	40,729,000	26,275,714
1958	.....	17,833,000	29,125,879
1959	.....	17,941,000	32,343,999
1960	.....	31,054,000	37,156,022

ESTIMATED NET ORDINARY VOTED EXPENDITURE
COMPARED WITH ACTUAL NET ORDINARY VOTED EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1960



YEAR ENDED MARCH 31	ESTIMATED NET ORDINARY VOTED EXPENDITURE	ACTUAL NET ORDINARY VOTED EXPENDITURE	TREASURY BOARD ORDERS	TOTAL
1951	\$153,409,805	\$146,227,012	\$4,471,210	\$150,698,222
1952	178,748,205	169,574,706	6,861,166	176,435,872
1953	233,663,600	222,029,849	3,603,567	225,633,416
1954	309,184,650	294,917,027	6,155,889	301,072,916
1955	326,586,100	318,382,185	7,564,525	325,946,710
1956	342,382,000	326,780,728	9,171,543	335,952,271
1957	390,372,000	374,572,562	3,268,081	377,840,643
1958	455,108,500	428,260,609	7,020,270	435,280,879
1959	531,676,500	506,037,469	5,075,319	511,112,788
1960	561,796,000	535,551,563	6,385,557	541,937,120

**ESTIMATED NET CAPITAL VOTED EXPENDITURE
COMPARED WITH ACTUAL NET CAPITAL VOTED EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1960**



YEAR ENDED MARCH 31	ESTIMATED NET CAPITAL VOTED EXPENDITURE	ACTUAL NET CAPITAL VOTED EXPENDITURE	TREASURY BOARD ORDERS	TOTAL
1951	\$ 28,101,000	\$ 18,197,596	.....	\$ 18,197,596
1952	25,401,000	18,599,956	\$ 935,470	19,535,426
1953	36,726,000	23,344,409	.....	23,344,409
1954	80,076,000	59,124,871	467,471	59,592,342
1955	73,900,000	56,495,391	637,169	57,132,560
1956	122,878,000	83,906,424	2,951	83,909,375
1957	142,008,000	114,315,129	4,956,458	119,271,587
1958	188,044,000	150,851,738	4,594,280	155,446,018
1959	230,810,000	178,876,677	743,400	179,620,077
1960	258,127,000	207,399,300	1,637,177	209,036,477

**SOURCE AND APPLICATION OF FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 1960**

SOURCE OF FUNDS—

Excess of Ordinary Revenue over Ordinary Expenditure.....		\$	863,691	
Add: Items not requiring an outlay of funds:				
Provision for Sinking Funds.....	\$	31,054,000		
Appropriation to Highway Construction Account.....		15,000,000		
Discount and Exchange on Debentures, written off (net) ...		1,757,376		
				47,811,376
Increase in Liabilities:				
Debentures Issued (net of discount).....	\$	120,757,500		
Special Funds:				
Public Service Superannuation and Retirement Funds (net).....	\$	16,536,878		
Other—(net).....		5,217,656		
			21,754,534	142,512,034
Decrease in Assets:				
Cash on Hand and in Banks.....	\$	33,037,012		
Temporary Investments (net).....		3,822,687		
Loans and Advances Repaid.....		24,918,609		
Uninvested Sinking Funds.....		9,420,798		
Proceeds from Sinking Fund Investments matured.....		17,112,000		
Sale of Capital Assets and Recoveries.....		2,415,019		
Other.....		1,138		
				90,727,263
				<u>\$281,914,364</u>

APPLICATION OF FUNDS—**Investment in Physical Assets:**

Highways.....	\$	175,320,433		
Logging and Forest Access Roads.....		915,783		
Mining and Access Roads.....		1,498,736		
			\$	177,734,952
Land and Buildings.....	\$	40,034,731		
Storage Dams and Docks, etc.....		920,555		
			40,955,286	
Rural Power Transmission Lines.....			1,324,254	
Conservation Projects.....			1,721,384	
			\$	221,735,876
Less—Financed out of Ordinary Revenue.....			66,000,000	
				\$155,735,876

Increase in Other Assets:

Loans and Advances:				
Ontario Water Resources Commission.....	\$	12,668,825		
Other.....		17,328,334		
			\$	29,997,159
Sinking Fund Investments Purchased.....			16,234,500	
				46,231,659

Decrease in Liabilities:

Debentures Retired through Sinking Funds.....	\$	41,352,298		
Debentures Retired prior to Maturity.....		4,048,000		
Debentures Retired at Maturity.....		15,016,702		
Demand Deposits with Province of Ontario Savings Office (net).....		7,548,304		
Bequests, Scholarships and Outstanding Cheques (net).....		13,640		
				67,978,944
Repayment to Government of Canada under Tax Rental Agreement, 1952-56..				11,967,885
				<u>\$281,914,364</u>

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1960**

NAME	PURPOSE	PAR VALUE
Acton, Town of.....	Water, Sewers and Schools \$	418,600.00
Ajax, Town of.....	Schools.....	127,800.00
Ajax, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	66,100.00
Albion, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8.....	Schools.....	37,800.00
Ancaster, Township of.....	Schools.....	90,000.00
Anderdon and Sandwich West, Townships of—Board of Trustees of Roman Catholic Union Separate School, United Sections No. 2 and No. 8.....	Schools.....	45,000.00
Atikokan, Township of.....	Water, Sewers and Schools	626,900.00
Atwood, Township of.....	Schools.....	25,000.00
Aurora, Town of.....	Water, Sewers and Schools	631,700.00
Aurora, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	40,000.00
Bala, Town of.....	Schools.....	37,000.00
Balfour, Township of.....	Schools.....	113,300.00
Bancroft, Village of.....	Schools.....	98,000.00
Bancroft, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	100,000.00
Bath, Village of.....	Water.....	34,000.00
Beardmore, Improvement District of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	58,400.00
Bertie, Township of.....	Water.....	88,000.00
Bicroft, Improvement District of.....	Schools.....	58,400.00
Black River, Township of.....	Water and Sewers.....	69,100.00
Blenheim, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21.....	Schools.....	42,700.00
Blezard, Township of.....	Schools.....	75,500.00
Blind River, Town of.....	Water, Sewers and Schools	691,700.00
Blind River, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	370,300.00
Bolton, Village of.....	Schools.....	49,200.00
Bonfield, Township of.....	Schools.....	78,400.00
Bracebridge, Town of.....	Water and Schools.....	605,200.00
Brampton, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	109,700.00
Brantford, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	90,000.00
Broder, Township of (Territorial District of Sudbury)—Board of Public School Trustees School Section No. 2.....	Schools.....	25,900.00
Broder and Dill, Townships of (Territorial District of Sudbury)—Board of Public School Trustees Union School Section No. 1.....	Schools.....	117,800.00
Bronte, Village of.....	Water, Sewers and Schools	544,500.00
Bruce Mines, Town of.....	Schools.....	109,700.00
Brudenell and Lyndoch, and Radcliffe, Townships of—Board of Trustees of Roman Catholic Union Separate School for United Sections No. 3.....	Schools.....	18,900.00
Brunel, Township of.....	Schools.....	50,700.00
Burk's Falls, Village of.....	Schools.....	390,000.00
Burlington, Town of.....	Schools.....	236,000.00
Burlington, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	369,200.00
Burlington-Nelson, Board of Management Inter-Urban Area of.....	Water.....	206,000.00
Caledonia, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	36,600.00
Calvert, Township of.....	Water and Sewers.....	72,600.00
Calvert, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4.....	Schools.....	145,100.00
Calvert, Township of—Board of Trustees of Roman Catholic Union Separate School for United Sections No. 1 and No. 4.....	Schools.....	202,300.00
Capreol, Town of.....	Water and Sewers.....	45,000.00
Cardiff, Improvement District of.....	Water, Sewers and Schools	582,300.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1960**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Carew and Cavell, Townships of (Territorial District of Sudbury)—Board of Public School Trustees Union School Section No. 1.....	Schools.....	\$ 30,000.00
Cartier, (Unorganized) Township of—Board of Trustees of Public School Section No. 1.....	Schools.....	2,700.00
Casgrain, Township of, in the Territorial District of Cochrane—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	36,600.00
Cayuga, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	34,600.00
Chapleau, Township of.....	Sewers.....	211,000.00
Chatham, Township of.....	Water.....	54,500.00
Chelmsford, Town of.....	Water and Schools.....	23,150.00
Chippawa, Village of.....	Water, Sewers and Schools.....	543,500.00
Chippawa, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	112,000.00
Christie, Township of.....	Schools.....	36,880.00
Cobalt, Town of.....	Schools.....	211,500.00
Cobden, Village of.....	Water and Sewers.....	51,700.00
Cochrane, Town of.....	Sewers.....	76,000.00
Colchester North, Township of.....	Schools.....	91,300.00
Conmee, Township of.....	Schools.....	43,800.00
Cornwall, City of.....	Water and Schools.....	98,000.00
Crowland, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	113,300.00
Crystal Beach, Village of.....	Water and Sewers.....	123,000.00
Crystal Beach, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	40,000.00
Dorion, Improvement District of.....	Schools.....	38,900.00
Dover, Township of—Board of Trustees of Roman Catholic Union Separate School Sections Nos. 3, 7, 9, 13 and 14.....	Schools.....	132,200.00
Dowling, Township of.....	Schools.....	41,500.00
Dowling, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	39,700.00
Drapeer, Township of.....	Schools.....	41,100.00
Drury, Denison and Graham, United Townships of.....	Schools.....	97,800.00
Dryden, Town of.....	Water.....	33,200.00
Dungannon, Township of.....	Schools.....	37,000.00
Dymond, Township of.....	Schools.....	55,000.00
Dysart, Guilford, Harburn, Dudley, Harcourt, Bruton, Havelock, Eyre and Clyde, Townships of.....	Schools.....	26,000.00
Ellice, Township of—Board of Trustees of Roman Catholic Separate School Section No. 6.....	Schools.....	3,200.00
Elliot Lake, Improvement District of.....	Water, Sewers and Schools.....	8,490,700.00
Elliot Lake, Improvement District of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	613,400.00
Elmvale, Village of.....	Water.....	1,900.00
Essa, Township of.....	Schools.....	40,964.00
Essex, County of.....	Schools.....	302,000.00
Etobicoke, Township of.....	Water and Sewers.....	740,000.00
Etobicoke, Township of—Board of Trustees of Roman Catholic Union Separate School for United Sections Nos. 11 and 15.....	Schools.....	151,000.00
Faraday, Township of.....	Schools.....	88,700.00
Fisher, (Unorganized) Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	14,600.00
Fisher and Herrick, Townships of (Territorial District of Algoma)—Board of Public School Trustees of Union School Section No. 1.....	Schools.....	18,500.00
Fonthill, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	77,800.00
Fort Frances, Town of.....	Water and Sewers.....	16,700.00
Freeman, Township of.....	Schools.....	7,600.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1960**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Frontenac, County of.....	Schools.....	\$ 732,000.00
Garson, Township of—Board of Trustees of Roman Catholic Separate School Sections No. 2 and 3....	Schools.....	113,300.00
Georgetown, Town of.....	Water, Sewers and Schools	1,038,340.00
Georgetown, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	165,400.00
Geraldton, Town of.....	Schools.....	200,800.00
Gladstone, Improvement District of.....	Schools.....	16,400.00
Gladstone, Bright, Parkinson, Patton and Eley, Unorganized Townships of—Board of School Trustees of the Township School Area.....	Schools.....	36,600.00
Glencoe, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	18,300.00
Gloucester, Township of.....	Schools.....	147,100.00
Gore Bay, Town of.....	Schools.....	155,600.00
Grantham, Township of.....	Water and Sewers.....	411,000.00
Grantham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	109,700.00
Grantham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8.....	Schools.....	36,600.00
Grimsby North, Township of.....	Schools.....	32,200.00
Gwillimbury West, Township of.....	Drainage.....	93,830.00
Haultain, Milner and Nicol—Public School Board of the Township School Area.....	Schools.....	80,000.00
Hawkesbury, Town of.....	Water and Sewers.....	46,300.00
Hearst, Town of.....	Water and Sewers.....	37,000.00
Hensall, Village of.....	Schools.....	102,000.00
Houghton, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	39,700.00
Ignace, (Unorganized) Township of.....	Schools.....	77,500.00
Ingram, (Unorganized) Township of—Board of Trustees of the Township School Area.....	Schools.....	16,900.00
Innisfil, Township of.....	Schools.....	143,300.00
Innisfil, Township of—Board of Trustees of Roman Catholic Separate School Section No. 12.....	Schools.....	71,600.00
Jaffray and Melick, Townships of.....	Schools.....	19,900.00
Joan and Phyllis, (Unorganized) Townships of—Board of School Trustees.....	Schools.....	24,300.00
Johnson, Township of.....	Schools.....	43,800.00
Keewatin, Town of.....	Schools.....	316,000.00
Keewatin, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	64,200.00
Kendrey, Improvement District of.....	Water and Sewers.....	69,400.00
King, Township of.....	Drainage.....	41,300.00
Korah, Township of.....	Water, Sewers and Schools	61,800.00
Korah, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	87,900.00
Lakefield, Village of.....	Water and Schools.....	254,600.00
Lakefield, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	37,800.00
La Salle, Town of.....	Water and Schools.....	108,300.00
Lewis and Spragge, Townships of (Territorial District of Algoma)—Board of Public School Trustees of Union School Section No. 2.....	Schools.....	34,000.00
Lion's Head, Village of.....	Schools.....	87,000.00
London, Township of.....	Sewers and Schools.....	180,364.96
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	71,300.00
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21.....	Schools.....	77,800.00
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 22.....	Schools.....	136,200.00
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 23.....	Schools.....	131,300.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1960**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Long and Striker, Townships of, in the Territorial District of Algoma—Board of Public School Trustees for Union School Sections No. 1 and 1	Schools	\$ 53,900.00
Lutterworth, Township of	Schools	37,800.00
Lybster and South Marks, (Unorganized) Townships of—Board of Trustees of the Township School Area	Schools	18,900.00
Macaulay, Township of	Schools	80,000.00
Macdonald, Meredith and Aberdeen Additional, Townships of	Schools	64,344.00
Machin, Township of	Schools	5,200.00
Madoc, Village of	Water and Sewers	18,200.00
Maidstone, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7	Schools	13,700.00
Manitouwadge, Improvement District of	Water and Schools	1,458,100.00
Manitouwadge, Improvement District of, Township School Area	Schools	538,300.00
Markdale, Village of	Schools	50,000.00
Markham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1	Schools	72,600.00
Marmora, Village of	Schools	82,300.00
Matheson, Town of	Water	2,800.00
Mattawa, Town of	Water and Sewers	125,000.00
Michipicoten, Township of	Schools	95,000.00
Middleton, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2	Schools	48,700.00
Milton, Town of	Sewers and Schools	307,700.00
Monteagle and Herschel, (Unorganized) United Townships of	Schools	31,600.00
Moore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5	Schools	13,600.00
Morrisburg, Village of	Sewers	2,000.00
McKim, Township of	Water, Sewers and Schools	858,900.00
Neelon and Garson, United Townships of	Water and Schools	1,282,000.00
Nelson, Township of	Schools	705,000.00
New Liskeard, Town of	Water and Sewers	8,200.00
Newmarket, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	116,700.00
Niagara, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	109,700.00
Niagara, Township of	Sewers	10,900.00
Niagara, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5	Schools	38,900.00
Nipigon, Township of	Sewers	76,700.00
North Fredericksburgh, Township of	Schools	14,000.00
North Gwillimbury, Township of	Schools	59,900.00
North York, Township of	Incinerator, Water and Sewers	869,367.59
Oakville, Town of	Water	314,400.00
Onaping, Improvement District of	Schools	98,500.00
Oro, Township of	Schools	33,700.00
Paipoonge, Township of	Schools	42,000.00
Parry Sound, Town of	Water and Sewers	4,200.00
Pelham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9	Schools	38,900.00
Pembroke, Township of	Schools	65,600.00
Penetanguishene, Town of	Schools	261,000.00
Petawawa, Township of	Schools	82,000.00
Pic, Township of (Territorial District of Thunder Bay)—Board of Public School Trustees Section No. 1	Schools	66,100.00
Pickering, Township of	Schools	804,900.00
Pickering, Village of	Schools	99,800.00
Port Carling, Town of	Water	15,600.00
Port Credit, Village of	Water and Schools	263,303.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1960**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Port Dalhousie, Town of.....	Water.....	\$ 16,900.00
Port Dalhousie, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	62,200.00
Port McNicoll, Village of.....	Water.....	11,600.00
Powassan, Town of.....	Schools.....	274,500.00
Prescott, Town of.....	Schools.....	227,000.00
Prince, Township of.....	Schools.....	19,500.00
Rainy River, Town of.....	Schools.....	131,300.00
Rayside, Township of.....	Schools.....	56,700.00
Redditt, Township of, (Territorial District of Kenora) —Public School Board of School Section No. 1.....	Schools.....	22,000.00
Red Lake, Improvement District of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	83,700.00
Red Rock, Improvement District of.....	Water, Sewers and Schools	37,000.00
Red Rock, Improvement District of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	77,800.00
Renfrew, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	173,600.00
Richmond Hill, Town of.....	Schools.....	275,100.00
Richmond Hill, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	73,100.00
Riverside, Town of.....	Water, Sewers and Schools	121,878.00
Riverside, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	183,500.00
Rockland, Town of.....	Water.....	28,000.00
Rodney, Village of, and Aldborough, Township of— Board of Trustees of Roman Catholic Union Separate School for the Village and Section No. 5.....	Schools.....	36,600.00
St. Clair Beach, Village of.....	Water, Sewers and Schools	112,900.00
Saltfleet, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	160,000.00
Sandwich East, Township of.....	Water, Sewers and Schools	622,924.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	72,475.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	10,600.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	38,900.00
Sandwich South, Township of.....	Schools.....	37,000.00
Sandwich South, Township of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	73,000.00
Sandwich West, Township of.....	Water, Sewers and Schools	1,080,654.40
Sandwich West, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	73,000.00
Sandwich West, Township of—Board of Trustees of Roman Catholic Union Separate School United Sections Nos. 2, 3, 4, 7 and 9.....	Schools.....	403,700.00
Sault Ste. Marie, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	212,400.00
Savant Lake—Board of Trustees of Public School Section No. 1.....	Schools.....	12,200.00
Schreiber, Township of.....	Water.....	24,000.00
Schreiber, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	21,700.00
Seneca, Township of—Board of Trustees of Roman Catholic Separate School Section No. 11.....	Schools.....	20,000.00
Shedden, Township of—Board of Trustees of Public School Section No. 1.....	Schools.....	69,900.00
Shedden, Township of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	155,800.00
Sherwood, Jones and Burns, Townships of.....	Schools.....	34,200.00
Sidney, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	18,800.00
Sioux Lookout, Town of.....	Water and Sewers.....	179,500.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1960**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Sioux Lookout, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	\$ 95,800.00
South River, Village of.....	Water.....	76,000.00
Spragge, Township of (Territorial District of Algoma) Public School Board of Section No. 1.....	Schools.....	58,400.00
Stafford, Township of.....	Schools.....	35,700.00
Stamford, Township of.....	Water.....	858,000.00
Stamford, Township of—Board of Trustees of Roman Catholic Union Separate School for United Sections Nos. 4, 5, 6.....	Schools.....	94,400.00
Stamford, Township of—Board of Trustees of Roman Catholic Union Separate School Sections Nos. 3, 4, 5, 6.....	Schools.....	116,700.00
Stamford, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	108,900.00
Stouffville, Village of.....	Sewers.....	456,800.00
Strathroy, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	15,500.00
Streetsville, Village of.....	Schools.....	102,196.55
Strong, Township of.....	Schools.....	180,000.00
Sturgeon Falls, Town of.....	Schools.....	231,200.00
Sudbury, City of.....	Water and Sewers.....	226,800.00
Sunnidale, Township of.....	Schools.....	56,700.00
Sutton, Village of.....	Water.....	277,500.00
Tarentorus, Township of.....	Water, Sewers and Schools.....	297,600.00
Tay, Township of.....	Water.....	63,500.00
Teck, Township of.....	Water.....	54,800.00
Tecumseh, Town of.....	Sewers.....	5,300.00
Thessalon, Town of.....	Schools.....	88,970.00
Thorold, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	184,100.00
Timmins, Town of.....	Sewers.....	95,400.00
Timmins, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	308,000.00
Tisdale, Township of.....	Water and Sewers.....	327,400.00
Toronto, Township of.....	Water, Sewers and Schools.....	1,886,647.54
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	100,000.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	77,800.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4.....	Schools.....	91,300.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	131,000.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	72,600.00
Toronto Gore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 6....	Schools.....	36,600.00
Trafalgar, Township of.....	Sewers and Schools.....	795,000.00
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 13.....	Schools.....	162,200.00
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 18.....	Schools.....	136,100.00
Upsala, Township School Area—Board of Public School Trustees.....	Schools.....	38,900.00
Vermilion Additional, Drayton, Jordan and Vermilion, Townships of (Territorial District of Kenora)—Board of Public School Trustees of Union School Sections Nos. 1, 2, 1 and 1.....	Schools.....	103,800.00
Vespra, Township of.....	Schools.....	51,800.00
Wallaceburg, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	91,300.00
Waterford, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	23,000.00
Waters, Township of.....	Schools.....	120,300.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1960**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
West Ferris, Township of.....	Water and Schools.....	\$ 252,000.00
Westminster, Township of.....	Sewers and Schools.....	121,000.00
Whitney, Township of.....	Sewers.....	27,900.00
Wicksteed, Township of.....	Schools.....	45,500.00
Widdifield, Township of.....	Water.....	39,100.00
Windsor, City of.....	Water.....	1,100,000.00
Windsor, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	903,300.00
Woodbridge, Village of.....	Water and Schools.....	165,900.00
Wyoming, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	36,600.00
Yarmouth, Township of—Board of Trustees of Roman Catholic Separate School Section No. 18.....	Schools.....	115,000.00
		<u>\$52,788,089.04</u>

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1959, TO MARCH 31, 1960**

DEPARTMENT	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 1,535,000	\$ 1,541,426	\$ 6,426	\$
Attorney-General.....	5,889,000	6,337,023	448,023	
Economics.....		1,115	1,115	
Education.....	2,087,000	2,084,147		2,853
Energy Resources.....	315,000	252,826		62,174
Health.....	1,508,000	1,483,031		24,969
Highways.....	1,414,000	1,386,634		27,366
Insurance.....	465,000	532,286	67,286	
Labour.....	916,000	981,429	65,429	
Lands and Forests.....	17,634,000	18,627,418	993,418	
Mines.....	12,765,000	14,213,349	1,448,349	
Municipal Affairs.....	2,289,000	349,081		1,939,919
Planning and Development.....		749	749	
Prime Minister.....		38	38	
Provincial Secretary.....	2,275,000	2,313,234	38,234	
Public Welfare.....	125,000	119,526		5,474
Public Works.....	342,000	347,330	5,330	
Reform Institutions.....	686,000	675,726		10,274
Transport.....	63,600,000	66,032,623	2,432,623	
Travel and Publicity.....	313,000	296,521		16,479
Treasury:				
Main Office—				
Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....		30,182	30,182	
Ontario Racing Commission.....	100,000	96,667		3,333
The Liquor Control Board of Ontario—				
Profits, etc.....	76,100,000	76,300,000	200,000	
Transfer Fees.....	600,000	564,393		35,607
Confiscated Stock.....		64,771	64,771	
Public Utilities Tax.....	1,600,000	1,042,652		557,348
Comptroller of Revenue—				
Income Tax Rental Agreement..	109,604,000	109,605,040	1,040	
Corporations Tax.....	175,000,000	175,850,437	850,437	
Gasoline Tax.....	152,000,000	152,158,907	158,907	
Motor Vehicle Fuel Tax.....	6,500,000	6,331,291		168,709
Hospitals Tax.....	4,400,000	4,512,285	112,285	
Succession Duty.....	34,500,000	33,735,833		764,167
Race Tracks Tax.....	5,348,000	5,347,783		217
Security Transfer Tax.....	2,500,000	2,530,228	30,228	
Land Transfer Tax.....	4,400,000	4,130,799		269,201
Law Stamps.....	1,500,000	1,548,997	48,997	
Logging Tax.....	1,700,000	1,624,002		75,998
Miscellaneous.....		1,464	1,464	
Water Rentals.....	6,000,000	5,437,293		562,707
Total for Treasury.....	<u>\$585,564,000</u>	<u>\$584,625,100</u>	<u>\$ 1,498,447</u>	<u>\$2,437,347</u>
Stationery Account.....		\$ 268,981	\$ 268,981	
	<u>\$699,722,000</u>	<u>\$702,469,593</u>	<u>\$ 7,274,448</u>	<u>\$4,526,855</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1959, TO MARCH 31, 1960**

DEPARTMENT	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture	\$ 15,393,000	\$ 14,951,242	\$	\$ 441,758
Attorney-General	23,106,000	22,424,112		681,888
Economics	341,000	316,069		24,931
Education	204,053,000	203,859,896		193,104
Energy Resources	460,000	497,662	37,662	
Health	85,107,000	83,626,383		1,480,617
Highways:				
Maintenance and Administration ..	74,399,000	73,193,762		1,205,238
Appropriation to Highway Con- struction Account	15,000,000	15,000,000		
Insurance	392,000	383,599		8,401
Labour	2,883,000	2,798,048		84,952
Lands and Forests	24,903,000	23,029,901		1,873,099
Lieutenant-Governor	41,000	40,180		820
Mines	1,557,000	1,500,896		56,104
Municipal Affairs	33,078,000	30,787,496		2,290,504
Planning and Development	5,778,000	5,555,330		222,670
Prime Minister	161,000	160,248		752
Provincial Auditor	430,000	402,069		27,931
Provincial Secretary	3,483,000	3,641,142	158,142	
Public Welfare	45,408,000	44,623,954		784,046
Public Works	11,842,000	11,038,233		803,767
Reform Institutions	11,914,000	11,890,573		23,427
Transport	4,087,000	4,055,471		31,529
Travel and Publicity	1,962,000	2,027,102	65,102	
Treasury	11,487,000	11,592,512	105,512	
	<u>\$577,265,000</u>	<u>\$567,395,880</u>	<u>\$ 366,418</u>	<u>\$10,235,538</u>
Public Debt:				
Interest, etc.	37,771,000	37,156,022		614,978
Provision for Sinking Funds	18,054,000	31,054,000	13,000,000	
	<u>\$633,090,000</u>	<u>\$635,605,902</u>	<u>\$13,366,418</u>	<u>\$10,850,516</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue	66,000,000	66,000,000		
	<u>\$699,090,000</u>	<u>\$701,605,902</u>	<u>\$13,366,418</u>	<u>\$10,850,516</u>

*9 months' actual—3 months' forecast.

COMPARATIVE SUMMARY

**NET INTERIM* AND ACTUAL ORDINARY REVENUE AND ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1959, TO MARCH 31, 1960**

	INTERIM	ACTUAL	ACTUAL To INTERIM
Net Ordinary Revenue	\$699,722,000	\$702,469,593	\$ 2,747,593
Less: Net Ordinary Expenditure (before items below)	\$615,036,000	\$604,551,902	\$10,484,098
Provision for Sinking Funds	18,054,000	31,054,000	13,000,000
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue	66,000,000	66,000,000	
Net Ordinary Expenditure	<u>\$699,090,000</u>	<u>\$701,605,902</u>	<u>\$ 2,515,902</u>
Surplus	<u>\$ 632,000</u>	<u>\$ 863,691</u>	<u>\$ 231,691</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL
RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1959, TO MARCH 31, 1960**

DEPARTMENT	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL TO INTERIM INCREASE	DECREASE
Education.....	\$ 10,000	\$ 29,117	\$ 19,117	\$
Highways.....	1,340,000	1,268,291		71,709
Labour.....	10,400,000	10,734,506	334,506	
Lands and Forests.....	650,000	817,561	167,561	
Mines.....	40,000	40,702	702	
Planning and Development.....	1,285,000	1,713,581	428,581	
Public Welfare.....		6,911	6,911	
Public Works.....	150,000	169,311	19,311	
Transport.....	4,200,000	4,370,190	170,190	
Treasury.....	80,467,000	97,854,102	17,387,102	
	<u>\$ 98,542,000</u>	<u>\$117,004,272</u>	<u>\$18,533,981</u>	<u>\$ 71,709</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL
DISBURSEMENTS FOR THE FISCAL YEAR APRIL 1, 1959, TO MARCH 31, 1960**

DEPARTMENT	NET INTERIM CAPITAL DISBURSE- MENTS	NET ACTUAL CAPITAL DISBURSE- MENTS	ACTUAL TO INTERIM INCREASE	DECREASE
Agriculture.....	\$ 800,000	\$ 503,423	\$	\$ 296,577
Education.....	1,300,000	926,876		373,124
Highways.....	178,862,000	175,320,433		3,541,567
Labour.....	10,600,000	10,521,723		78,277
Lands and Forests.....	1,000,000	991,023		8,977
Mines.....	1,500,000	1,498,736		1,264
Municipal Affairs.....	1,988,000	1,521,000		467,000
Planning and Development.....	6,500,000	4,111,886		2,388,114
Public Welfare.....		17,265	17,265	
Public Works.....	58,402,000	53,624,111		4,777,889
Transport.....	2,300,000	2,497,212	197,212	
Treasury.....	27,884,000	32,285,383	4,401,383	
	<u>\$291,136,000</u>	<u>\$283,819,071</u>	<u>\$4,615,860</u>	<u>\$11,932,789</u>
Less: Financed out of Ordinary Revenue.....	<u>66,000,000</u>	<u>66,000,000</u>		
	<u>\$225,136,000</u>	<u>\$217,819,071</u>	<u>\$4,615,860</u>	<u>\$11,932,789</u>

*9 months' actual—3 months' forecast.

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE
AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS
DURING THE FISCAL YEAR ENDED MARCH 31, 1960

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	ORDINARY				
	Department of Agriculture				
	Main Office:				
Mar. 23, 1960	Salaries	1,600.00		1,492.23	
April 13, 1960	Expenses in connection with Agricultural Work...	7,000.00		6,566.72	
	Agricultural and Horticultural Societies Branch:				
Mar. 16, 1960	Salaries	1,200.00		1,107.89	
Mar. 30, 1960	Agricultural and Horticultural Meetings, etc.	2,000.00		1,460.84	
Mar. 23, 1960	Grants under The Community Centres Act.....	70,000.00		60,413.00	
	Extension Branch:				
	Agricultural Representative Service:				
	Maintenance				
Jan. 5, 1960	Order..... \$1,000.00				
Mar. 23, 1960	Order..... 1,200.00				
		2,200.00		1,849.83	
	County and District Offices:				
Mar. 2, 1960	Promotion of Junior Farmer Work	7,000.00		6,980.70	
	Field Crops Branch:				
Mar. 16, 1960	Salaries	2,200.00		2,095.43	
Mar. 23, 1960	Administration of The Weed Control Act, The Seed Potatoes Act, Improvement Work, etc.	6,000.00		5,456.42	
	Information Branch:				
Mar. 16, 1960	Salaries	1,300.00		1,288.74	
	Live Stock Branch:				
Jan. 5, 1960	Travelling Expenses	5,000.00		4,591.33	
Mar. 23, 1960	Maintenance.....	1,500.00		1,448.06	
	Educational and Demonstration Work, etc.:				
Jan. 5, 1960	Order..... \$25,000.00				
Mar. 23, 1960	Order..... 31,000.00				
		56,000.00		55,998.06	
	Travelling and Other Expenses re Administration of The Stallions Act, etc.:				
Dec. 1, 1959	Order..... \$ 800.00				
Mar. 23, 1960	Order..... 700.00				
		1,500.00		1,468.10	
Jan. 5, 1960	Northern Ontario: District Veterinary Services and Assistance on Live Stock shipped to Northern Ontario	8,000.00		6,304.59	
	Markets Branch:				
	Farm Products Marketing Board and Co-operative Loans Board:				
Mar. 2, 1960	Salaries	10,600.00		9,245.93	
	Farm Products Inspection Service:				
Mar. 2, 1960	Administration and Enforcement of The Plant Diseases Act and The Farm Products Grades and Sales Act, etc.....	5,000.00		4,419.00	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Agriculture—Continued		
Mar. 2, 1960	Demonstration Farm, New Liskeard: Maintenance, Wages, Equipment, etc.	1,500.00	1,499.01
April 13, 1960	Horticultural Experiment Station, Vineland: Travelling and Other Expenses.....	2,000.00	1,718.89
April 13, 1960	Ontario Agricultural College, Guelph: Salaries.....	41,500.00	40,464.57
April 13, 1960	Ontario Veterinary College, Guelph: Ridgetown Unit.....	200.00	193.82
Mar. 16, 1960	Western Ontario Agricultural School and Experi- mental Farm, Ridgetown: Salaries.....	4,000.00	3,777.43
		237,300.00	219,840.59
	Department of Attorney General		
Jan. 27, 1960	Main Office: Crown Counsel Prosecutions.....	40,000.00	31,519.28
Feb. 17, 1960	Laboratory: Maintenance.....	7,500.00	7,496.55
Jan. 27, 1960	Probation Services: Salaries.....	10,000.00	5,331.59
Jan. 27, 1960	Fire Marshal's Office: Maintenance.....	12,500.00	12,496.85
Jan. 27, 1960	Ontario Securities Commission: Maintenance.....	2,000.00	1,897.57
Jan. 27, 1960	Inspector of Legal Offices: Salaries—Sheriffs, etc.....	10,000.00	1,839.71
Jan. 27, 1960	Criminal Justice Accounts: Counties and Cities: Administration of Justice.....	10,000.00	4,600.12
Jan. 27, 1960	Districts: Administration of Justice.....	50,000.00	49,362.80
Jan. 27, 1960	Ontario Provincial Police: Salaries.....	60,000.00	44,559.89
		202,000.00	159,104.36
	Department of Education		
Mar. 2, 1960	Main Office and General Departmental Expenses: General Departmental Expenses: Maintenance.....	7,000.00	2,884.13
Mar. 2, 1960	Printing of Forms, Publications, etc., for Department.....	75,000.00	74,891.98
April 13, 1960	Workmen's Compensation Board—Awards and Costs.....	2,200.00	1,975.06
Mar. 2, 1960	Elementary Education Branch: Travelling and District Office Expenses.....	60,000.00	9,428.49

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Education—Continued				
April 13, 1960	Teacher Education Branch:				
Mar. 2, 1960	Practice Teaching Expenses	100,000.00		98,244.46	
	Students' Board and Travelling Expenses	6,000.00		3,920.45	
Nov. 17, 1959	Registrar's Branch:				
	Departmental Examinations	11,000.00		10,920.42	
Mar. 23, 1960	Curriculum and Text-Books Branch:				
	Salaries	800.00		765.62	
Mar. 2, 1960	Other Educational Services:				
	Community Programmes:				
	Training in Citizenship for Adults—Services, Expenses, etc.	15,000.00		1,484.97	
Mar. 23, 1960	Legislative Library:				
	Salaries	300.00		248.25	
Jan. 5, 1960	Scholarships, Bursaries, etc.:				
	Subsidy on Transportation of Students from Territorial Districts, etc.	5,000.00		4,310.40	
Jan. 5, 1960	Legislative Grants, etc.:				
	Special Capital Grants for School Accommodation for Retarded Children	80,000.00		57,295.00	
Jan. 5, 1960	Miscellaneous Grants	29,500.00		28,500.00	
		391,800.00		294,869.23	
	Department of Energy Resources				
Mar. 23, 1960	Ontario Fuel Board:				
Nov. 10, 1959	Travelling Expenses	5,500.00		5,498.63	
	Boards of Arbitration	5,000.00		2,929.07	
		10,500.00		8,427.70	
	Department of Health				
April 13, 1960	Main Office:				
April 13, 1960	Maintenance	18,000.00		15,655.49	
April 13, 1960	Public Health Education	1,600.00		1,588.35	
	Workmen's Compensation Board—Awards and Costs excluding Mental Health Branch	1,000.00		164.09	
April 13, 1960	Public Health Nursing Branch:				
	Maintenance	100.00		83.14	
April 13, 1960	Epidemiological Branch:				
Jan. 13, 1960	Maintenance	1,000.00		998.10	
	Outbreaks of Diseases, Sanitary Investigations, etc.	313,000.00		312,437.83	
Mar. 9, 1960	Tuberculosis Prevention Branch:				
	Grants to Sanatoria	400,000.00		399,981.38	
Feb. 10, 1960	Mental Health Branch:				
Jan. 13, 1960	General Expenses:				
	Maintenance	30,000.00		29,897.75	
April 13, 1960	Workmen's Compensation Board—Awards and Costs	30,000.00		28,146.66	
	Printing and Stationery	10,900.00		10,228.34	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Health—Continued		
	Mental Health Branch—Continued		
Mar. 9, 1960	Ontario Hospitals: Maintenance.....	1,500,000.00	1,495,060.56
Mar. 2, 1960	Hospital Services Commission of Ontario: Grants to Public Hospitals under the authority of any Act of the Legislature and the Regulations made thereunder.....	1,510,000.00	1,509,663.71
		3,815,600.00	3,803,905.40
	Department of Highways		
April 13, 1960	Main Office: Unemployment Insurance Stamps.....	20,000.00	19,015.58
	Department of Labour		
	Main Office:		
Feb. 3, 1960	Travelling Expenses.....	4,000.00	1,557.04
Feb. 3, 1960	Maintenance.....	6,000.00	5,865.66
Nov. 24, 1959	General Stores, Purchase of Stationery, etc.....	10,000.00	3,690.18
Nov. 24, 1959	Conciliation Boards (Commissioners, etc.).....	60,000.00	48,917.41
	Apprenticeship Branch:		
	Advisory Committee—per diem allowances:		
July 28, 1959	Order.....\$ 500.00		
Feb. 3, 1960	Order.....1,000.00		
		1,500.00	770.00
April 13, 1960	Examiners' Fees.....	1,000.00	606.00
Feb. 3, 1960	Travelling Expenses.....	2,000.00	1,170.05
	Maintenance:		
Feb. 3, 1960	Order.....\$ 4,000.00		
Mar. 30, 1960	Order.....4,000.00		
April 13, 1960	Order.....4,000.00		
		12,000.00	7,997.55
Mar. 16, 1960	Apprenticeship Training (Special Classes).....	40,000.00	15,755.39
	Boiler Inspection Branch:		
	Travelling Expenses:		
Mar. 16, 1960	Order.....\$ 3,000.00		
Mar. 23, 1960	Order.....2,000.00		
		5,000.00	3,343.14
	Factory Inspection Branch:		
Mar. 16, 1960	Salaries.....	4,000.00	3,158.23
Feb. 3, 1960	Travelling Expenses.....	2,000.00	789.08
Feb. 3, 1960	Maintenance.....	2,000.00	1,664.63
	Board of Examiners of Operating Engineers:		
Mar. 16, 1960	Salaries.....	2,000.00	951.68
Feb. 3, 1960	Travelling Expenses.....	2,000.00	1,154.88
	Maintenance:		
Feb. 3, 1960	Order.....\$ 5,000.00		
Mar. 16, 1960	Order.....3,000.00		
		8,000.00	7,998.70
	Labour Relations Board:		
Mar. 16, 1960	Salaries.....	5,000.00	4,496.98
Nov. 24, 1959	Per Diem Allowances (Board Members).....	7,000.00	4,925.00
Nov. 24, 1959	Travelling Expenses.....	4,000.00	1,901.18

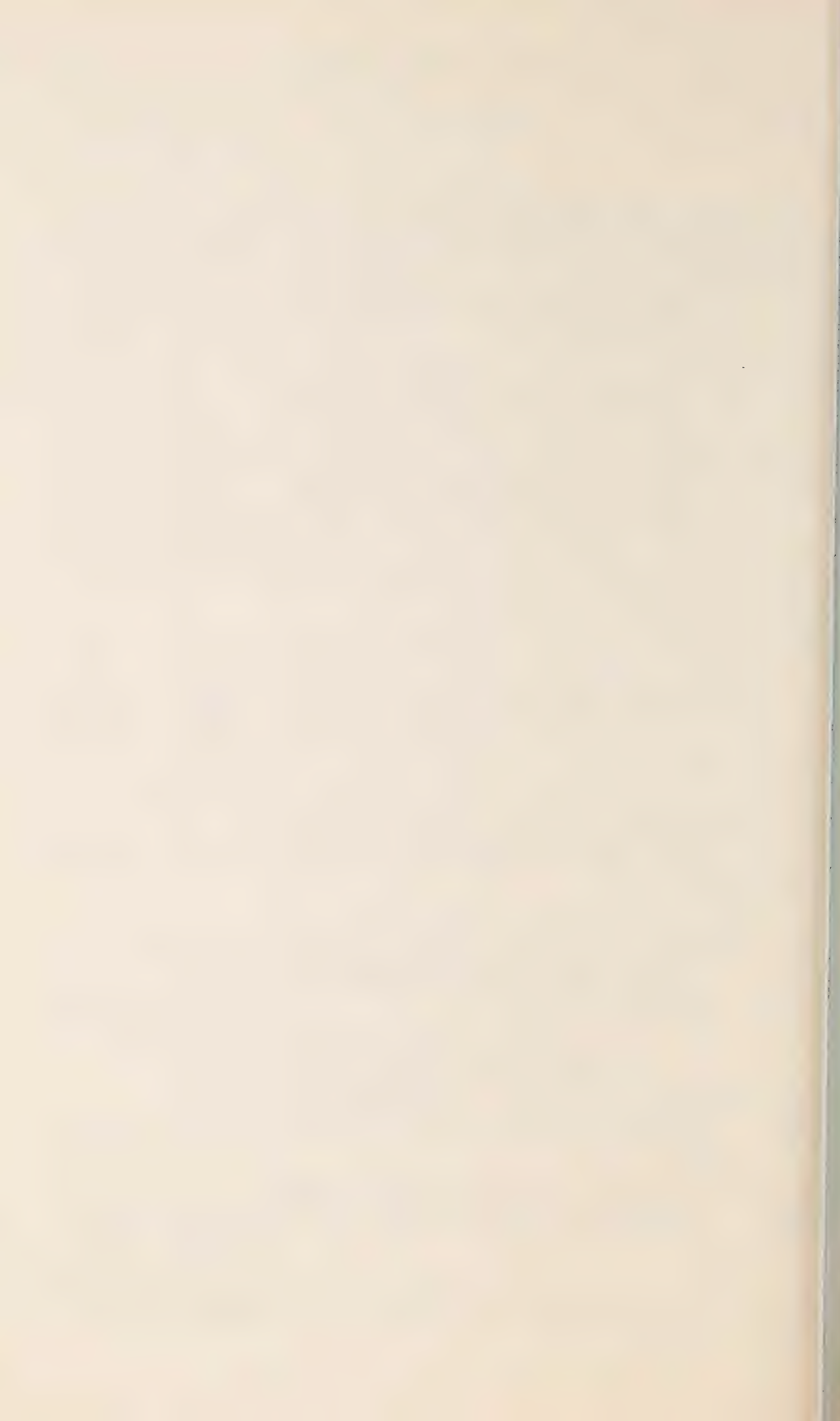
DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Labour—Continued		
	Office of Athletics Commissioner:		
	Assistance to Amateur Sport:		
Nov. 24, 1959	Order.....	\$ 6,500.00	
Mar. 16, 1960	Order.....	5,500.00	
		12,000.00	10,863.95
	Elevator Inspection Branch:		
Mar. 16, 1960	Salaries.....	2,000.00	879.73
		191,500.00	128,456.40
	Department of Lands and Forests		
	Main Office:		
April 13, 1960	Travelling Expenses.....	5,000.00	3,558.88
Feb. 3, 1960	Damage and Other Claims, Sundry Contingencies, Awards, etc.....	3,600.00	1,013.64
Mar. 9, 1960	Workmen's Compensation Board—Awards and Costs.....	30,000.00	19,019.75
Mar. 16, 1960	Annuities and Bonuses to Indians under Treaty No. 9.....	1,400.00	1,264.00
		40,000.00	24,856.27
	Department of Mines		
	Main Office:		
Mar. 23, 1960	Maintenance.....	36,000.00	31,771.23
April 6, 1960	Fees, Salaries and Expenses—Legal, Professional and Miscellaneous Services.....	2,000.00	1,794.50
Mar. 23, 1960	Mines Inspection Branch: Salaries.....	1,000.00	727.29
		39,000.00	34,293.02
	Department of Municipal Affairs		
	Main Office:		
Sept. 29, 1959	Grants to Municipalities:		
Sept. 29, 1959	Payments to "Mining Municipalities".....	260,000.00	245,758.98
	Aid to Municipalities of Share of Bounties paid for the Destruction of Foxes.....	42,000.00	25,590.00
		302,000.00	271,348.98
	Department of Planning and Development		
	Main Office:		
Dec. 22, 1959	Travelling Expenses.....	6,000.00	4,436.15
Dec. 22, 1959	Maintenance.....	6,000.00	4,964.08
Mar. 30, 1960	Community Planning Branch: Maintenance.....	5,500.00	4,851.30
Mar. 30, 1960	Conservation Branch: Grants to Conservation Authorities, etc.....	35,500.00	17,168.68
Mar. 30, 1960	Trade and Industry Branch: Ontario Research Foundation, for Research Projects and Activities, etc.....	25,000.00	21,338.90
		78,000.00	52,759.11

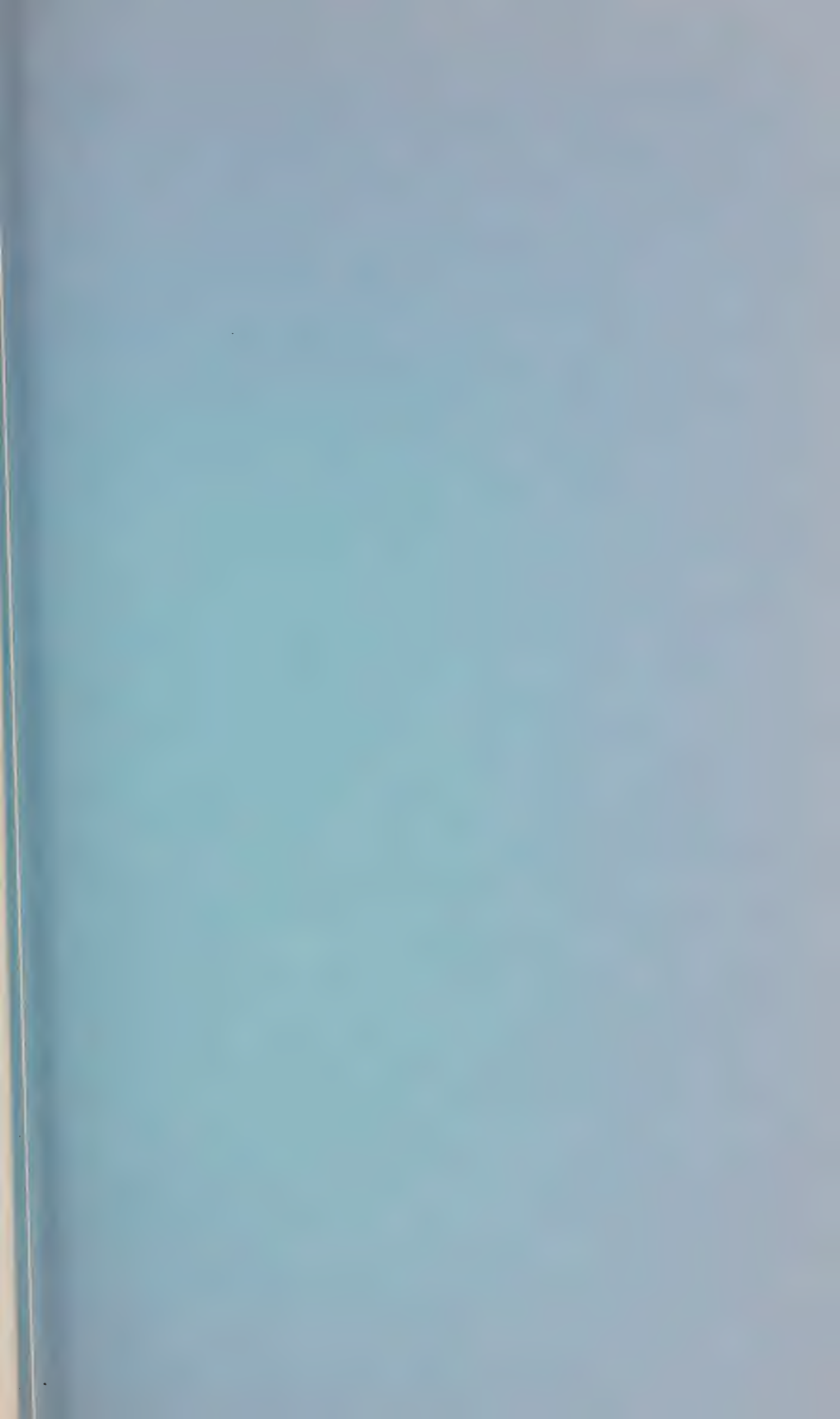
DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Prime Minister		
Dec. 22, 1959	Cabinet Office: Salaries	3,500.00	2,514.87
	Department of Provincial Secretary		
	Main Office:		
Sept. 1, 1959	Travelling Expenses:		
April 13, 1960	Order.....\$ 2,500.00 Order.....200.00	2,700.00	2,652.87
	Maintenance:		
Dec. 1, 1959	Order.....\$ 35,000.00		
April 13, 1960	Order.....16,000.00		
Feb. 17, 1960	Government Hospitality Fund	51,000.00 15,000.00	50,269.38 7,604.90
Jan. 5, 1960	Office of the Speaker:		
Feb. 17, 1960	Maintenance..... Allowance to Mr. Speaker in lieu of contingencies.	2,000.00 5,000.00	1,579.90 5,000.00
April 13, 1960	Clerk of the Legislative Assembly and Chief Election Officer: Maintenance.....	500.00	455.91
Feb. 17, 1960	Queen's Printer:		
Feb. 17, 1960	Salaries	1,000.00	777.06
	Ontario Gazette.....	10,000.00	9,974.11
April 13, 1960	Sessional Requirements:		
April 13, 1960	Clerks of Committees, Sergeant-at-Arms, Messengers, Pages, Sessional Writers, etc.....	15,000.00	13,132.50
April 13, 1960	Indemnities and Allowances to Members, including Mileage.....	130,000.00	129,404.98
April 13, 1960	Stationery, including Printing Paper etc.....	25,000.00	20,818.82
Feb. 17, 1960	Hansard—Reporting, Printing, etc.: Order.....\$ 35,000.00		
April 13, 1960	Order.....10,000.00	45,000.00	42,756.97
		302,200.00	284,427.40
	Department of Public Welfare		
Mar. 16, 1960	Main Office: Workmen's Compensation Board—Awards and Costs	800.00	569.15
Dec. 1, 1959	Child Welfare Branch: Stenographic Services in Unorganized Territory, Legal Costs and Sundry Administration.....	10,000.00	5,683.07
Feb. 17, 1960	Day Nurseries Branch: Day Nurseries—Contributions for Operation and Maintenance.....	29,000.00	15,886.65
Jan. 13, 1960	General Welfare Assistance Branch: Homemakers and Nursing Services: Subsidy for Services of Homemakers and Nursing Service	55,000.00	50,979.08

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Welfare—Continued		
Feb. 17, 1960	Homes for the Aged Branch: Salaries.....	7,800.00	7,405.03
Sept. 15, 1959	Grants: Subsidies on Operation and Maintenance Costs: The Charitable Institutions Act.....	200,000.00	182,068.93
Mar. 16, 1960	Welfare Allowances Branch: Allowances in accordance with The Mothers' and Dependent Children's Allowances Act.....	290,000.00	263,214.67
Mar. 16, 1960	Dental Services—Children.....	1,500.00	1,252.30
		594,100.00	527,058.88
	Department of Public Works		
Jan. 5, 1960	Aid to Drainage: Grants in Aid of Drainage Work.....	275,000.00	274,999.37
Nov. 17, 1959	Miscellaneous: Preparing and Installing Exhibits for Government Departments, etc.....	12,000.00	11,912.01
		287,000.00	286,911.38
	Department of Reform Institutions		
Dec. 29, 1959	Main Office: Travelling Expenses.....	7,000.00	5,084.94
Dec. 29, 1959	Workmen's Compensation Board—Awards and Costs: Order.....\$ 9,000.00		
April 13, 1960	Order.....1,000.00	10,000.00	9,964.90
		17,000.00	15,049.84
	Department of Transport		
Mar. 2, 1960	Main Office: Unemployment Insurance Stamps.....	1,000.00	678.80
Nov. 4, 1959	Ontario Highway Transport Board: Travelling Expenses.....	1,500.00	1,484.51
		2,500.00	2,163.31
	Department of Travel and Publicity		
Nov. 4, 1959	Division of Publicity: Publications and Publicity, etc.: Order.....\$ 70,000.00		
Jan. 20, 1960	Order.....110,000.00	180,000.00	178,669.92
Sept. 1, 1959	Photography Branch: Ontario Tours of Editors, Writers and Photo- graphers, etc.....	35,000.00	30,810.42
		215,000.00	209,480.34

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Treasury Department				
	Main Office:				
Mar. 30, 1960	Premium on Fidelity Bonds	3,100.00		3,034.40	
Nov. 24, 1959	Services and Other Expenses for Special Studies, etc.	30,000.00		27,236.70	
	Ontario Racing Commission:				
April 6, 1960	Travelling Expenses	700.00		562.41	
April 6, 1960	Maintenance	5,000.00		1,012.49	
Oct. 13, 1959	Services of Officials at Race Tracks	6,000.00		4,432.70	
	Tabulating Branch:				
Mar. 23, 1960	Maintenance	3,500.00		3,438.36	
	Civil Service Commission:				
Dec. 8, 1959	Honoraria and Expenses re Joint Advisory Council and Departmental Committees	2,000.00		1,357.80	
		50,300.00		41,074.86	
	Total Ordinary Treasury Board Orders	6,799,300.00		6,385,557.47	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	CAPITAL		
	Department of Highways		
April 13, 1960	Construction and Other Capital Projects: Municipal Subsidies (The Highway Improvement Act, 1957, Sections 46, 50, 54, 55, 56, 62, 70, 73, 74, 77, Municipality of Metropolitan Toronto Act, Section 78, and The Municipal Subsidies Adjustment Act, Section 1)	1,000,000.00	866,177.40
	Department of Municipal Affairs		
June 30, 1959	Main Office: Special Projects: To make Advances to and Purchase Debentures of Improvement Districts	1,736,000.00	771,000.00
	Total Capital Treasury Board Orders	2,736,000.00	1,637,177.40
	Total Treasury Board Orders	9,535,300.00	8,022,734.87





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Provincial Auditor's Office
Report

PROVINCIAL AUDITOR'S REPORT

1960-61

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO



TORONTO

PRINTED AND PUBLISHED BY FRANK FOGG, QUEEN'S PRINTER

1961

PROVINCIAL AUDITOR'S REPORT

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SESSIONAL PAPER No. 3, 1962



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TORONTO

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1961

TO THE HONOURABLE JOHN KEILLER MACKAY, D.S.O., V.D., D.C.L.,
LL.D.,

Lieutenant Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1961, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
Toronto, November 23, 1961.

REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1961, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR 1960 - 1961

I have the honour to report to the Legislative Assembly on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1961, in accordance with the requirements of The Audit Act.

I have examined the Balance Sheet of the Province of Ontario as at March 31, 1961, the Statements of Revenue and Expenditure for the year ended on that date and other related statements, and have compared them with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications in this report, in my opinion and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province at March 31, 1961, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

There are two generally accepted bases or systems of accounting. One is the "cash" basis under which revenue is taken into account in the period in which it is received in cash, and expenditures are accounted for when the actual payments are made; the other is the "accrual" basis under which revenues are accounted for when earned or due, even though not collected, and expenditures are accounted for when the liabilities are incurred whether payment is made in the accounting period or not.

There are certain basic differences between the management of government and commercial operations. The profit motive exists in industry and is used to evaluate management performance. This does not apply in government; no directly comparable substitute is available. Therefore, it follows that budgeting and accounting practices of industry are not entirely applicable to government. Budgeting plays a more vital role in government since departmental expenditures are geared entirely to the Estimates submitted to and approved by the Legislature. Government accounting systems are generally based on a cash basis of reporting and not on an accrual basis as in industry.

The accounts of the Province of Ontario have been kept on a cash basis as in previous years because this system of accounting has great advantages from the parliamentary point of view by providing a clear basis for departmental accountability in the expenditure of public funds. However, modifications have been made to facilitate the maintenance of accounting control over certain assets and liabilities and to provide for valuation adjustments for certain assets in anticipation of possible losses on ultimate realization. The Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1961 on a modified accrual basis with the required accounting adjustments being made through Surplus Account.

OPERATIONS FOR 1960-61

The Honourable James N. Allan, as Treasurer of Ontario, in his address to the Legislative Assembly of Ontario on February 25, 1960, presented budget forecasts of ordinary revenue and expenditure and of capital receipts and disbursements for the fiscal year ended March 31, 1961, and in his address to the Legislative Assembly of Ontario on March 9, 1961, presented interim statements of ordinary revenue and expenditure and of capital receipts and disbursements for the same fiscal year, consisting of nine months' actual results and three months' forecast.

The statements which follow compare the budget forecasts with the actual results for the fiscal year ended March 31, 1961. Comparative summaries of the interim statements (nine months' actual and three months' forecast) and the actual results are appended to this report together with certain other statements and charts presenting information on the financial operations of the Province as detailed on page 35 of this report.

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1960, TO MARCH 31, 1961**

DEPARTMENT	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 1,716,000	\$ 1,862,483	\$ 146,483	\$
Attorney General.....	6,106,000	6,807,339	701,339	
Commerce and Development.....		93,698	93,698	
Economics.....		1,877	1,877	
Education.....	2,455,000	3,105,510	650,510	
Energy Resources.....	345,000	83,406		261,594
Health.....	992,000	1,436,701	444,701	
Highways.....	1,303,000	1,457,041	154,041	
Insurance.....	473,000	680,497	207,497	
Labour.....	1,020,000	1,103,473	83,473	
Lands and Forests.....	18,540,000	20,811,711	2,271,711	
Mines.....	13,101,000	18,328,814	5,227,814	
Municipal Affairs.....	2,302,000	331,060		1,970,940
Prime Minister.....		39	39	
Provincial Secretary and Citizenship	2,331,000	2,491,878	160,878	
Public Welfare.....		4,156	4,156	
Public Works.....	346,000	377,531	31,531	
Reform Institutions.....	691,000	706,622	15,622	
Transport.....	68,500,000	67,732,520		767,480
Travel and Publicity.....	312,000	296,627		15,373
Treasury:				
Main Office—Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....		75,014	75,014	
Ontario Racing Commission.....	117,000	119,173	2,173	
The Liquor Control Board of Ontario—				
Profits, etc.....	79,000,000	80,600,000	1,600,000	
Transfer Fees.....	600,000			600,000
Public Utilities Tax.....	1,600,000	577,914		1,022,086
Water Power Rentals.....	6,580,000	5,646,792		933,208
Comptroller of Revenue—				
Income Tax Rental Agreement	115,000,000	113,791,937		1,208,063
Corporations Tax.....	190,000,000	185,667,356		4,332,644
Gasoline Tax.....	159,000,000	157,655,684		1,344,316
Motor Vehicle Fuel Tax.....	7,000,000	6,847,894		152,106
Hospitals Tax.....	4,400,000	4,218,448		181,552
Succession Duty.....	33,000,000	37,603,205	4,603,205	
Race Tracks Tax.....	5,700,000	5,732,960	32,960	
Security Transfer Tax.....	3,000,000	2,194,009		805,991
Land Transfer Tax.....	5,000,000	3,570,674		1,429,326
Law Stamps.....	1,500,000	1,839,261	339,261	
Logging Tax.....	2,000,000	1,822,475		177,525
Miscellaneous.....		1,382	1,382	
Total for Treasury.....	<u>\$617,209,000</u>	<u>\$611,676,254</u>	<u>\$ 6,654,131</u>	<u>\$12,186,877</u>
Stationery Account.....		\$ 2,173	\$ 2,173	
	<u>\$737,742,000</u>	<u>\$739,391,410</u>	<u>\$16,851,674</u>	<u>\$15,202,264</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1960, TO MARCH 31, 1961**

DEPARTMENT	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 16,150,000	\$ 15,473,381	\$	\$ 676,619
Attorney General.....	21,263,000	21,034,953		228,047
Commerce and Development.....	5,195,000	4,497,604		697,396
Economics.....	400,000	396,199		3,801
Education.....	230,211,000	226,510,583		3,700,417
Energy Resources.....	622,000	640,839	18,839	
Health.....	88,620,000	88,960,472	340,472	
Highways.....	75,500,000	71,563,798		3,936,202
Insurance.....	415,000	423,274	8,274	
Labour.....	3,083,000	3,042,893		40,107
Lands and Forests.....	24,175,000	23,229,039		945,961
Lieutenant Governor.....	21,000	27,476	6,476	
Mines.....	1,684,000	1,583,030		100,970
Municipal Affairs.....	42,137,000	36,855,954		5,281,046
Prime Minister.....	176,000	178,694	2,694	
Provincial Auditor.....	455,000	435,965		19,035
Provincial Secretary and Citizenship	3,080,000	3,364,539	284,539	
Public Welfare.....	49,176,000	51,018,830	1,842,830	
Public Works.....	11,682,000	10,803,114		878,886
Reform Institutions.....	13,233,000	12,623,996		609,004
Transport.....	4,700,000	4,504,749		195,251
Travel and Publicity.....	1,950,000	1,881,841		68,159
Treasury.....	11,634,000	12,716,640	1,082,640	
	<u>\$605,562,000</u>	<u>\$591,767,863</u>	<u>\$ 3,586,764</u>	<u>\$17,380,901</u>
Public Debt:				
Interest, etc.....	48,680,000	44,410,520		4,269,480
Provision for Sinking Funds.....	16,954,000	33,822,000	16,868,000	
Total Budget.....	<u>\$671,196,000</u>	<u>\$670,000,383</u>	<u>\$20,454,764</u>	<u>\$21,650,381</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	66,000,000	69,000,000	3,000,000	
	<u>\$737,196,000</u>	<u>\$739,000,383</u>	<u>\$23,454,764</u>	<u>\$21,650,381</u>

**COMPARATIVE SUMMARY
BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1960, TO MARCH 31, 1961**

	BUDGET	ACTUAL	ACTUAL TO BUDGET
Net Ordinary Revenue.....	<u>\$737,742,000</u>	<u>\$739,391,410</u>	<u>\$ 1,649,410</u>
Less: Net Ordinary Expenditure (before items below).....	<u>\$654,242,000</u>	<u>\$636,178,383</u>	<u>\$18,063,617</u>
Provision for Sinking Funds.....	16,954,000	33,822,000	16,868,000
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	66,000,000	69,000,000	3,000,000
Net Ordinary Expenditure.....	<u>\$737,196,000</u>	<u>\$739,000,383</u>	<u>\$ 1,804,383</u>
Surplus.....	<u>\$ 546,000</u>	<u>\$ 391,027</u>	<u>\$ 154,973</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1960, TO MARCH 31, 1961**

DEPARTMENT	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Commerce and Development:				
Loans and Advances—				
The Housing Development Act . .	\$ 1,230,000	\$ 1,593,417	\$ 363,417	\$
Conservation Projects—Recoveries		161,348	161,348	
Ontario-St. Lawrence Development				
Commission—Sale of Land		2,550	2,550	
Education:				
Provincial Student-Aid Loans	150,000	162,380	12,380	
Highways:				
Sale of Lands and Buildings, etc. . .	1,050,000	1,027,801		22,199
Contract Security Deposits		7,400	7,400	
Labour:				
Vacation-with-Pay Stamps	11,000,000	10,247,604		752,396
Contract Security Deposits		2,400	2,400	
Lands and Forests:				
Sale of Lands	600,000	609,698	9,698	
Logging Roads		234,988	234,988	
Contract Security Deposits		9,003	9,003	
Mines:				
Sale of Mining Lands	60,000	62,451	2,451	
Public Welfare:				
Old Age Assistance Branch, etc. . . .		17,265	17,265	
Public Works:				
Sale of Land and Buildings		185,308	185,308	
Transport:				
Unsatisfied Judgment Fund—				
Fees, etc.	4,500,000	4,426,950		73,050
Treasury:				
Appropriation from Ordinary				
Account—				
Provision for Sinking Funds . . .	16,954,000	33,822,000	16,868,000	
Loans and Advances*	17,808,000	29,858,769	12,050,769	
Special Funds—				
Public Service Superannuation				
Fund	22,000,000	23,816,808	1,816,808	
Public Service Retirement Fund .	1,175,000	986,083		188,917
Other	528,000	1,887,094	1,359,094	
Premium, Discount and Foreign				
Exchange on Debentures	1,718,000	1,730,892	12,892	
Other		40,709	40,709	
	<u>\$78,773,000</u>	<u>\$110,892,918</u>	<u>\$33,156,480</u>	<u>\$1,036,562</u>

*For the purposes of this statement, estimated capital receipts of \$600,000 shown in the original budget presentation under Agriculture have been included with Treasury estimated capital receipts for loans and advances.

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL DISBURSEMENTS
FOR THE FISCAL YEAR APRIL 1, 1960, TO MARCH 31, 1961**

DEPARTMENT	BUDGET CAPITAL DISBURSE- MENTS	NET ACTUAL CAPITAL DISBURSE- MENTS	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture:				
The Co-operative Loans Act—Loans	\$ 450,000	\$ 243,000	\$	\$ 207,000
Revolving Fund for The Ontario Telephone Development Corporation	50,000			50,000
Commerce and Development:				
The Housing Development Act	6,500,000	2,189,275		4,310,725
Conservation	2,000,000	921,721		1,078,279
Education:				
Provincial Student-Aid Loans	3,000,000	1,388,707		1,611,293
Energy Resources:				
Assistance for Rural Power Transmission Lines	1,407,000	511,076		895,924
Highways:				
Highway Construction	126,165,000	113,503,089		12,661,911
Development and other Roads	9,800,000	8,486,750		1,313,250
Municipal Subsidies	40,000,000	44,433,041	4,433,041	
Contingencies	35,000	7,339		27,661
Labour:				
Vacation-with-Pay Stamps	11,000,000	11,031,808	31,808	
Lands and Forests:				
Logging Roads	200,000	48,010		151,990
Mines:				
Mining and Access Roads	1,500,000	1,600,309	100,309	
Municipal Affairs:				
Mining Townsites	250,000			250,000
Improvement Districts—Advances to and Purchase of Debentures	750,000	770,000	20,000	
Ontario Water Resources Commission— Plant and Equipment	30,000,000	14,007,741		15,992,259
Public Welfare:				
Old Age Assistance Branch, etc.		22,204	22,204	
Public Works:				
Purchase of Property and Construction of Buildings	43,000,000	31,216,335		11,783,665
Dams, Docks and Locks	900,000	850,584		49,416
Transport:				
Unsatisfied Judgment Fund—Judgments, etc.	3,000,000	2,514,010		485,990
Treasury:				
Registry Office Surplus Fees	300,000	266,401		33,599
Guaranteed Debentures— S.W. & A. Rly. Company—Debentures	2,100,000	2,100,000		
—Interest	101,000	103,808	2,808	
Tile Drainage Debentures	800,000	1,067,582	267,582	
The Ontario Municipal Improvement Cor- poration—Advances		3,950,000	3,950,000	
The Ontario Junior Farmer Establishment Loan Corporation—Advances		4,050,000	4,050,000	
Government of Canada Repayment under Tax Rental Agreement 1952-56		3,062,745	3,062,745	
Refunds of Capital Receipts, prior years	150,000	105,774		44,226
Municipal Sinking Funds	95,000	95,691	691	
Public Service Superannuation Fund	6,100,000	6,013,083		86,917
Public Service Retirement Fund	1,140,000	903,750		236,250
The Sault Ste. Marie Bridge Act, 1960		8,993,432	8,993,432	
Ontario Hospital Services Commission— Special Assistance Account		1,680,000	1,680,000	
Other		26,413	26,413	
	<u>\$290,793,000</u>	<u>\$266,163,678</u>	<u>\$26,641,033</u>	<u>\$51,270,35</u>
Less: Financed out of Ordinary Revenue	66,000,000	69,000,000	3,000,000	
	<u>\$224,793,000</u>	<u>\$197,163,678</u>	<u>\$23,641,033</u>	<u>\$51,270,35</u>

Estimated gross expenditure for the year, shown on page 5 of the 1961 estimates, was \$1,006,559,000. This amount does not include Supplementary Estimates of \$5,463,000 voted by the Legislature at the spring session in 1961. Taking the Supplementary Estimates into account the total Estimates for the year amounted to \$1,012,022,000. The actual gross expenditure was \$985,694,178, a net decrease of \$26,327,822.

In the Budget Statement presented by the Treasurer of Ontario on February 25, 1960, as shown in the Statement of Current Operations on page 55, it was estimated that \$67,710,000 of Capital Disbursements, less \$1,710,000 of Capital Receipts, being a net amount of \$66,000,000, would be financed out of Ordinary Revenue. The actual net revenue of the Province for the fiscal year ended March 31, 1961, permitted \$69,000,000 to be applied for this purpose, an increase of \$3,000,000 from the forecast amount of \$66,000,000.

The following analysis summarizes the decrease in gross actual expenditure from total estimated gross expenditure:

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1961**

CLASSIFICATION	TOTAL ESTIMATES	GROSS ACTUAL	GROSS ACTUAL OVER ESTIMATES	GROSS ACTUAL UNDER ESTIMATES
Ordinary—				
Voted—				
Main Estimates.....	\$ 592,111,400			
Supplementary.....	5,463,000			
	<u>\$ 597,574,400</u>	<u>\$577,282,313</u>		<u>\$20,292,087</u>
Statutory.....	111,880,600	129,032,075	\$17,151,475	
Special Warrants.....		1,272,457	1,272,457	
Capital Disbursements financed out of Ordinary Revenue..	66,000,000	69,000,000	3,000,000	
	<u>\$ 775,455,000</u>	<u>\$776,586,845</u>	<u>\$21,423,932</u>	<u>\$20,292,087</u>
Capital—				
Voted—				
Main Estimates.....	\$ 287,374,000	\$242,663,568		\$44,710,432
Statutory.....	15,193,000	35,443,765	\$20,250,765	
	<u>\$ 302,567,000</u>	<u>\$278,107,333</u>	<u>\$20,250,765</u>	<u>\$44,710,432</u>
Deduct—				
Capital Disbursements financed out of Ordinary Revenue.....	66,000,000	69,000,000	3,000,000	
	<u>\$ 236,567,000</u>	<u>\$209,107,333</u>	<u>\$17,250,765</u>	<u>\$44,710,432</u>
	<u><u>\$ 1,012,022,000</u></u>	<u><u>\$985,694,178</u></u>	<u><u>\$38,674,697</u></u>	<u><u>\$65,002,519</u></u>

**Summary of Net Increases or Decreases in Gross Actual as compared
with Total Estimates of Gross Expenditure**

CLASSIFICATION	INCREASE	DECREASE
Voted.....		\$65,002,519
Statutory.....	\$37,402,240	
Special Warrants.....	1,272,457	
	<u><u>\$38,674,697</u></u>	<u><u>\$65,002,519</u></u>

The net increases or decreases in gross actual as compared with total estimates of gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED

For the year under review the Legislative Assembly authorized expenditure appropriations in the amount of \$884,948,400, comprising \$597,574,400 ordinary account and \$287,374,000 capital account. Actual gross expenditure charged to appropriations amounted to \$819,945,881, comprised of \$577,282,313 charged to ordinary account and \$242,663,568 charged to capital account. Thus the gross expenditure charged to appropriations authorized was \$65,002,519 less than the amount authorized. The principal under-expenditures in this amount relate to construction and maintenance of King's Highways and Secondary Highways and Development Roads \$18,490,510, construction of plant and equipment of the Ontario Water Resources Commission \$15,992,259, construction of public buildings \$11,783,665, general legislative grants to school boards \$6,286,676, and expenditure under The Housing Development Act, \$4,310,725.

In all cases where the actual expenditure exceeded the original appropriation, the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$15,492,476, consisting of \$9,348,976 ordinary account and \$6,143,500 capital account, with actual expenditures relative thereto amounting to \$12,723,065, of which \$7,842,746 applied to ordinary account and \$4,880,319 to capital account. These expenditures form part of the total gross expenditure of \$819,945,881 referred to above and are not in addition thereto.

Full details of treasury board orders issued and the amounts expended under this authority will be found on pages 56-63 of this report.

It will be noted, from the amounts shown in the Analysis of Gross Expenditure, that total Gross Actual Voted Expenditure, which includes amounts spent under authority of treasury board orders, is less than the total of the related gross estimates. The same situation exists with respect to Net Expenditure, and the details for the last ten years are shown in graphic form on pages 42-43 of this report.

STATUTORY

The Estimates for the year 1960-61 forecast \$127,073,600 gross expenditure under statutory authority. Of this amount \$111,880,600 was for ordinary account and \$15,193,000 for capital account. Actual gross statutory expenditure amounted to \$164,475,840 consisting of \$129,032,075 ordinary expenditure and \$35,443,765 capital expenditure, excluding public debt expenditure. The actual total gross statutory outlay was greater than the estimates by \$37,402,240. The principal items of actual expenditure in excess of the amounts estimated were an additional Provision for Sinking Funds of \$16,868,000, a refund to the Government of Canada under the Tax Rental Agreement 1952-56, of \$3,062,745, advances to The Ontario Junior Farmer Establishment Loan Corporation of \$4,050,000, advances to The Ontario Municipal Improvement Corporation of \$3,950,000, and an investment under The Sault Ste. Marie Bridge Act, 1960, of \$8,993,432.

SPECIAL WARRANTS

During the year, expenditures in the amount of \$1,272,457 were made under Special Warrants by authority of subsection 1, section 29, of The Financial Administration Act.

Full details of the expenditures made under Special Warrants will be found on pages 64-65 of this report.

**PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1961**

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1961, showing the percentage of each item to the total, classified by major categories, is presented in the following statement:

NET ORDINARY REVENUE

		%
Corporations Tax.....	\$185,667,356	25.11
Gasoline Tax.....	157,655,684	21.32
Income Tax Rental Agreement.....	113,791,937	15.39
Liquor Profits, Gallonage Tax, etc.....	80,600,000	10.90
Motor Vehicle Licenses and Fees, etc.....	67,642,039	9.15
Succession Duty.....	37,603,205	5.09
Mines Profits Tax.....	17,096,831	2.31
Timber Dues, Bonus, etc.....	13,092,417	1.77
Motor Vehicle Fuel Tax.....	6,847,894	.93
Race Tracks Tax.....	5,732,960	.78
Inspector of Legal Offices—Fees, Fines, etc.....	5,719,064	.77
Water Power Rentals.....	5,646,792	.76
Fish and Wildlife Licenses, Royalties, etc.....	4,848,111	.66
Hospitals Tax.....	4,218,448	.57
Government of Canada—Annual Subsidies.....	3,640,940	.49
Land Transfer Tax.....	3,570,674	.48
All other revenues.....	26,017,058	3.52
	<u>\$739,391,410</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE

		%
Education.....	\$226,510,583	30.65
Health Services.....	88,960,472	12.04
Public Debt—		
Interest, etc.....	\$44,410,520	
Provision for Sinking Funds.....	33,822,000	
	<u>78,232,520</u>	10.59
Highways and Roads.....	71,563,798	9.68
Public Welfare.....	51,018,830	6.90
Municipal Affairs—Grants to Municipalities.....	33,029,770	4.47
Conservation of Forests, Fish and Wildlife.....	23,229,039	3.14
Law Enforcement.....	21,034,953	2.85
Agricultural Services, Grants, etc.....	15,473,381	2.09
Reform Institutions.....	12,623,996	1.71
Public Buildings, Maintenance and Repairs, etc.....	10,803,114	1.46
All other expenditures.....	37,519,927	5.08
	<u>\$670,000,383</u>	<u>90.66</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	69,000,000	9.34
	<u>\$739,000,383</u>	<u>100.00</u>

On pages 38-41 of this report will be found a graphic presentation of several of the major items on the previous page giving comparisons for the five years ended March 31, 1961.

GENERAL

Corporations tax, gasoline tax, the income tax rental agreement with the Federal Government, liquor control revenues, motor vehicle licenses and fees, and succession duty provide the chief sources of ordinary revenue for the Province. Education, health services, public debt charges including provision for sinking funds, highway expenditures and welfare costs, are the major items of ordinary expenditure, excluding capital disbursements financed out of ordinary revenue. As in past years the remaining revenue and expenditure operations continue to serve vital functions in the overall programme of the Province, and the various totals, while smaller in amount, represent important services given or received.

I refer hereunder to some of the larger items of revenue and expenditure and other matters relating to the operations for the year ended March 31, 1961.

The Income Tax Rental Agreement Act, 1957, is still in effect and under the terms of the related agreement the Province received a net amount of \$113,791,937 during the fiscal year ended March 31, 1961. This amount represented the provincial share of 13 per cent of individual income tax based on 1956 rates or approximately 14 per cent based on current income tax rates. At the termination of the present agreement in 1962 it is proposed by the Government of Canada to permit each province to impose whatever tax in the individual income, corporation and succession duty fields it deems to be necessary to meet its financial operations.

The Federal Government also proposes, effective January 1, 1962, to reduce its individual income tax by 16 per cent, thereby permitting the Province to impose a rate of individual income tax which will provide revenue about two percentage points above the present standard rate of approximately 14 per cent without raising the overall level of current income tax. The Federal Government further proposes to reduce its individual income tax rates by an additional one percentage point in each of the succeeding four years until in 1966 the provincial tax will be equivalent to 20% of the federal tax.

In the fiscal year a payment of \$3,062,745 was made to the Government of Canada in connection with excess of actual over estimated succession duty credits allowed by the Federal Department of National Revenue during the period from April 1, 1959 to March 31, 1960, with respect to estates of persons whose deaths occurred during the five fiscal years between April 1, 1952 and March 31, 1957. This payment is made pursuant to the provisions of The Corporations and Income Taxes Suspension Act, 1952. As this payment adjusts accounts of previous years, it has been charged to Surplus Account as will all subsequent payments of this nature.

During the year gross capital disbursements on King's Highways, Development Roads and Municipal Roads Subsidies, etc., amounted to \$166,430,219. This amount is a decrease of \$8,890,214 from 1960. In addition the Department of Mines spent \$1,600,309 on Mining and Access Roads, while the Department of Lands and Forests spent \$48,010 on Logging Roads.

Capital disbursements were made to The Hydro-Electric Power Commission of Ontario in the amount of \$511,076 to assist in rural electrification projects. This is a reduction of \$813,178 from the 1959-60 payment. It would appear that rural electrification is substantially complete in most areas of the Province.

Land and Buildings have been added to during the year by gross capital disbursements of \$31,216,335. General Works and Improvements were increased by gross capital disbursements of \$1,772,305.

A provision for Sinking Funds in the amount of \$33,822,000 was made through ordinary account.

Contributions by the Province to the Teachers' Superannuation Fund and the Public Service Superannuation Fund amounted to \$14,636,066 and \$7,864,964 respectively in accordance with the enactments relative thereto. In addition, a payment of \$1,000,000 has been made to each Fund as a special contribution from the Province to reduce the amount by which the estimated actuarial liabilities exceed the assets of the respective Funds. These special contributions, which have been received for a number of years, have undoubtedly served to fund a part of the actuarial deficit.

The actuarial examination of the Teachers' Superannuation Fund has now been completed as at December 31, 1958. The actuary, Professor N. E. Sheppard, M.A., has presented his report dated January 12, 1961, to the Chairman of the Teachers' Superannuation Commission of Ontario. The following paragraph is based on the above-mentioned report.

As at December 31, 1958 the actuarial deficit of the Fund was calculated to amount to \$203,886,000. The preceding valuation, made four years previously, as at December 31, 1954 showed an actuarial deficit of \$178,314,900. Thus the deficiency at the end of the four-year period had increased by some \$25½ million, even after taking into account that the 4% provincial contribution rate was raised to 6% from January 1, 1956. The general increase in salaries during the four years is the basic cause of the larger deficit. The \$204 million deficit, in respect of the contributors, existing in 1958 will continue to grow, quite apart from any inflation, at 4½% interest per annum, less the special annual grant of \$1 million made by the Province each year. The growth of this deficit at interest will thus be of the order of \$8 million per year.

This is a serious situation both with respect to the amount of the deficit and the fact that it is apparently increasing each year. It is recommended that immediate steps be taken to place the Fund on a sound actuarial basis.

No actuarial valuation of the Public Service Superannuation Fund has been made since March 31, 1952 and as a result the amount of the existing actuarial deficit is not known and will not be known until the next actuarial valuation is carried out. At the date of the last valuation this Fund showed a deficiency of \$46,220,000. An actuarial valuation should be made without further delay to determine the position of the Fund as nine years have now passed without such an examination. In future, valuations should be made at regular intervals of not more than five years. The Province should continue the policy of making special contributions until another actuarial valuation can be made. When the amount of the anticipated deficit is determined, arrangements should be made to fund it over a reasonable period of time.

AUDIT OF REVENUE

A continuous audit is being maintained of the revenues of the Province. The revenues of the various Departments are subjected to a thorough auditing process and continue to be examined in a systematic manner in accordance with the practice of previous years, employing all procedures deemed to be required to conform with generally accepted auditing standards applicable in the particular circumstances encountered.

The existence and implementation of efficient systems of internal control and methods of accounting are considered to be prerequisites for the establishment and maintenance of reliable records. It is therefore standard procedure to review the existing methods followed in the various Departments for the purpose of evaluating their effectiveness.

Comprehensive reports on the various examinations have been prepared and submitted to the Ministers of the Departments concerned and to officials of Boards and Commissions. The information which is produced by these examinations is most important in assessing the efficiency of the accounting process and permits me to be of the opinion that a full accounting is being made of the revenues of the Province.

Certain non-tax revenues such as receipts from privileges, licenses, fees, permits, perquisites, etc. form part of the total revenues. While it may not be practical to expect a full recovery of the current costs of servicing these non-tax revenues, nevertheless constant vigilance should be observed to ensure that the gap between expense and recovery is not widening. The cost of government operation, in common with all other costs, has increased in each of the last several years but not all non-tax revenues have increased correspondingly. This relationship between cost and recovery should be made the subject of a special study by the Treasury, to see if any substantial revision is needed.

AUDIT OF EXPENDITURE

In the course of the audit of expenditures one is constantly aware of the problems of organization and management throughout the Service. It is pointed out again that the departments should constantly have a real appreciation and awareness that each department is primarily responsible for conducting its financial affairs effectively within the limits of the votes provided by the Legislature. Each department is itself responsible for the following: First, the organization of work. Second, the cost-consciousness of staff at all levels. Third, the critical scrutiny of all its activities particularly those which are static or declining. In this way each department will ensure that full value is received for money spent.

As auditor of boards and commissions as well as departments of government a matter meriting comment is the tax position of federal and Ontario Crown agencies in respect of federal sales tax and Ontario sales, gasoline and motor vehicle fuel taxes.

The position is that the federal government levies sales tax on all manufactured goods and, when these goods are bought by Crown agencies of the province, the federal government allows the manufacturers no refund of the tax so paid but allows a refund when such manufactured goods are purchased by provincial government departments. However, the federal government admits no liability on the part of its Crown agencies for retail sales tax, gasoline tax or motor vehicle fuel tax levied by the Ontario government. Thus, provincial Crown agencies in effect are charged federal sales tax levied on manufacturers while the federal government pays no taxes levied by Ontario as set out above.

The federal government makes refunds of sales tax paid by manufacturers on sales made to provincial government departments when the goods are not for resale, but will not permit any refund on goods purchased by any board, commission, railway, public utility, university, manufacturing company or agency controlled or operated by the government of a province or under the authority of the Legislature or the Lieutenant Governor in Council.

The difficulty arises from the legalistic approach of the federal government when it makes no distinction between those provincial Crown agencies all of whose funds are provided either by taxes paid by the public or by grants of money voted by the provincial Legislature, or both, and whose operations consist entirely of providing public service, on the one hand, and, on the other, those provincial Crown agencies that are conducting commercial activities.

An example of the inequity that has occurred under this system is that the Manitoba Hospital Services Plan operated under the direction of the Minister of Health and Public Welfare can buy materials free of federal sales tax because the manufacturer under the provisions of the Excise Tax Act is able to obtain a refund of the taxes paid thereon, while the Ontario Hospital Services Commission performing precisely the same functions under a Commission type of operation and under separate statutory authority cannot buy these goods tax free because the manufacturer is not permitted to obtain a refund of the tax paid on the sale of the goods. This condition appears indefensible and as yet no effective steps have been taken to correct it.

With reference to gasoline and motor vehicle fuel taxes, it must be admitted that these along with the retail sales tax are direct taxes on consumers and, consequently, it is difficult to argue that they should apply to the federal government or agencies thereof. However, consistency and equity demand that federal legislation imposing a manufacturers' sales tax should be adjusted so that the tax on goods sold to provincial government agencies engaged exclusively in public services should be rebated.

At the opening of the Federal-Provincial Conference in Ottawa, February 23, 1961, the Right Honourable John G. Diefenbaker, Prime Minister of Canada, addressed opening remarks to those assembled. In dealing with the problem of achieving reciprocity in the taxation of Crown agencies, he stated as follows:

"We have given further thought to the means of achieving reciprocity of treatment in the position of provincial Crown corporations and agencies under federal sales and excise taxes and the position of federal corporations and

agencies under provincial direct taxes on purchases. We are prepared to waive federal immunity from taxation and instruct federal corporations and agencies to pay provincial purchase taxes and other similar taxes, on the understanding that provincial corporations and agencies will be subject to federal sales and excise taxes. We think that this is an equitable arrangement being in accordance with the general principles followed in regard to the payment of federal taxes on purchases by federal departments. We think it is better than reciprocal exemptions as an administrative and accounting arrangement, preserving, as it will, a fairer relationship between Crown corporations and agencies in general and private businesses."

The problem of eliminating the inequity complained of would be solved if the federal government amended its sales tax legislation by adding, to the present exemption and refund sections, provision for a schedule to set out those specific provincial agencies that should not be subject to tax. It should then be possible to look at the true nature of each agency and to determine the equity and justice in taxing or exempting in each instance. No longer then would terminology be the criterion used for establishing tax liability. Agencies of the provincial governments that are operated on a financial basis substantially similar to a provincial government department or to a federal government department would then be free of tax as they would be listed in schedules to the Excise Tax Act and the exemption or refund sections made to apply to them. Action on this matter is overdue and it is recommended that representation along the lines above stated be made to the federal government.

The financial situation of the Ontario Northland Transportation Commission is similar to that reported upon last year. The over-all operations of the railroad showed a slight profit due to the highly productive operation of the commercial communications system. To meet declining freight loadings due to highway transport competition the Commission acquired during the year Star Transfer Limited. This action is similar to the purchase of trucking companies by the C.P.R. and C.N.R. and is intended to round out the operations of the railway in the area of Northern Ontario which it serves.

BALANCE SHEET

The balance sheet of the Province does not include as an asset the value of Crown timber, mineral wealth and surface value of Crown lands, water power, fish, game and fur.

The balance sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

A condensed balance sheet follows showing the assets and liabilities of the Province of Ontario as at March 31, 1961.

**PROVINCE OF ONTARIO
CONDENSED BALANCE SHEET**

AS AT MARCH 31, 1961

ASSETS

Cash on Hand and in Banks.....	\$ 4,002,692
Temporary Investments.....	46,165,000
Loans and Advances.....	552,719,771
Government of Canada:	
Debt Account and Common School Fund.....	4,271,015
Highways, Buildings, etc.....	1,929,234,331
The Liquor Control Board of Ontario—Investment.....	19,007,771
Other Loans and Advances.....	677,193
Discount, Exchange and Premium on Debentures (less amount amortized)....	13,203,156
Accounts Receivable (less Reserve).....	15,902,974
Accrued Interest on bonds securing Advances.....	2,941,000
Interest Receivable (less Reserve).....	246,000
Equipment, Stores and Materials (less Reserve).....	10,833,645
	<u>\$2,599,204,548</u>

LIABILITIES

Funded Debt (less sinking funds—\$206,666,184).....	\$1,424,914,816
Unfunded Debt.....	270,589,467
Accounts Payable.....	3,426,300
Accrued Interest on Funded Debt.....	18,813,485
	<u>\$1,717,744,068</u>
Reserves.....	6,624,459
Surplus.....	874,836,021
	<u>\$2,599,204,548</u>
Contingent Liabilities:	
Bonds, etc., Guaranteed by the Province.....	<u>\$1,545,482,996</u>

I report hereunder on certain of the Assets and Liabilities as shown on the balance sheet of the Province as at March 31, 1961, which appears in the Public Accounts for 1960-61 on pages 6-7.

ASSETS

CASH ON HAND AND IN BANKS—\$4,002,692

Cash in Chartered Banks.....	\$2,249,274
Province of Ontario Savings Office.....	1,753,418
	<u>\$4,002,692</u>

The balances in chartered banks for the account of the Treasurer of Ontario were verified by reconciliation with letters of confirmation received direct from the depositaries. It was also necessary to take into account a balance sheet adjustment to segregate sinking fund moneys on deposit with the Treasurer of Ontario from other Provincial moneys on deposit at March 31, 1961.

Cash on hand in the various branches of the Province of Ontario Savings Office was certified by the respective branch managers and the cash on deposit in chartered banks has been confirmed by direct correspondence with the banks concerned. The various branches of the Savings Office were examined by Head Office inspectors during the year without advance notice being given to the personnel of the branches visited.

TEMPORARY INVESTMENTS—\$46,165,000

	<i>Par Value</i>	
Government of Canada:		
Direct and Guaranteed Securities, etc.....	\$25,601,400	
Treasury Bills.....	18,143,000	
Provinces of Canada:		
Direct and Guaranteed Securities.....	897,000	
	<u>\$44,641,400</u>	
Subject to repurchase agreements at.....		\$44,165,000
Ontario Northland Transportation Commission Demand Notes (guaranteed by Province of Ontario).....		2,000,000
		<u>\$46,165,000</u>

These investments have been made for the purpose of making the most efficient use of funds temporarily surplus to normal requirements and were made under authority of section 20 of The Financial Administration Act. In dealing with purchases of short-term securities the vendors of the securities contract to pay interest at an agreed rate and to buy back the securities at a fixed date at the price paid by the Province. From time to time prior to the fixed date, securities may be exchanged for others acceptable to the Province. Securities held for temporary investment at March 31, 1961, were verified by actual count at the Securities Branch of the Treasury Department.

LOANS AND ADVANCES—\$552,719,771

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES SECURED BY BONDS—\$344,620,000

No new advances were made to the Commission during the fiscal year, and repayment of \$4,400,000 was received by the Province. Upon receipt of this payment, bonds of the Commission held as security were released in an equivalent amount.

Bonds of the Commission in the amount of \$344,620,000 held in safekeeping in the Securities Branch of the Treasury Department at March 31, 1961 were verified by physical count.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES—UNSECURED—\$14,869,641

During the period from 1909 to 1934 funds borrowed by the Commission under The Power Commission Act were in some instances obtained as a part of the proceeds of certain Provincial debenture issues. As the related issues mature, the Commission repays the amount previously advanced. During the year ended March 31, 1961, the Commission repaid \$15,443,982 to the Province of Ontario on account of these unsecured advances. Of the above repayment, \$12,641,565 was for the account of the Southern Ontario System, and \$2,802,417 for Northern Ontario Properties. The Commission also pays the required interest and service charges in respect of its share of the Provincial debenture issues concerned. The balance of unsecured advances was \$14,869,641 as at March 31, 1961.

The following schedule shows the details of future repayments:

YEAR ENDED	SOUTHERN ONTARIO SYSTEM	NORTHERN ONTARIO PROPERTIES	TOTAL
March 31, 1962	\$ 1,179,236	\$ 228,018	\$ 1,407,254
1963	1,228,570	237,639	1,466,209
1964	1,280,836	247,876	1,528,712
1965	1,334,523	258,411	1,592,934
1966	1,390,288	269,382	1,659,670
1967	1,448,643	280,861	1,729,504
1968	1,169,088	245,701	1,414,789
1969	1,218,332	256,147	1,474,479
1970	835,175	237,685	1,072,860
1971	871,461	247,897	1,119,358
1972	295,003	108,869	403,872
	<u>\$12,251,155</u>	<u>\$2,618,486</u>	<u>\$14,869,641</u>

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,935

This amount relates to advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By order in council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$3,165,983

The assets of Housing Corporation Limited have decreased by \$636,348 during the year. This is due mainly to repayment of mortgage loans principal in the amount of \$632,640. In the same period a reduction of \$700,000 has been made in the bank loan and an increase of \$105,015 in the bank overdraft. The Reserve for Mortgage Loans, principal and interest was reduced by \$41,238 to \$823,910 due to a loss on operations resulting from interest earned on mortgage loans being insufficient to meet bank interest on borrowed funds and bank collection charges on the mortgage repayments.

Housing Corporation Limited was incorporated in May, 1948, under a Provincial Charter with a nominal share capital, all of which is owned by the Province of Ontario.

The purpose of the Corporation was to facilitate the financing of new, low-cost houses in Ontario. To carry out this plan the Corporation advanced money by way of second mortgage up to a maximum of \$1,249.25 and not exceeding in any case the amount of the cash contribution by the borrower. In the latter part of 1949 the Government of Canada expanded its facilities in this field, and Housing Corporation thereupon discontinued the receiving of applications for the advancing of moneys under second mortgages as of December 1949.

The Corporation made loans on 14,695 applications. As at March 31, 1961, there were 5,581 loans in the course of repayment. This is a reduction of 508 loans within the past fiscal year. No confirmation of outstanding mortgages was obtained from the mortgagors concerned.

Housing Corporation Limited has financed its operations by bank loans evidenced by promissory notes and by bank overdraft, guaranteed by the Province of Ontario pursuant to The Housing Development Act. As of March 31, 1961 the Corporation had outstanding a note in the amount of \$2,200,000 bearing interest at $5\frac{3}{4}\%$ and maturing on May 3, 1961.

The general administrative expenses of Housing Corporation Limited have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of bank interest and bank collection charges on the mortgage repayments. However, in recent years, due to the increased rate of interest which the Corporation has to pay on borrowed funds, an operating deficit has occurred.

The assets and liabilities of Housing Corporation Limited have been included with the other accounts in the balance sheet of the Province. The balance sheet of Housing Corporation Limited is also shown separately in the Public Accounts for 1960-61 on page 62.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION—
INVESTMENTS—\$24,099,992

As at March 31, 1961 the Corporation had loans receivable in the amount of \$21,984,723 secured by first mortgages. The accrued interest relating to these loans amounted as of that date to \$507,296. The increase in assets over 1960 amounted to \$287,316. This is due to an increase of cash in bank of \$35,760, an

increase of \$22,724 in Mortgage Interest due and accrued, and an increase of \$936,266 in Discount on Debentures less a reduction of \$707,434 in Mortgage Loans Principal.

The deficit of The Ontario Junior Farmer Establishment Loan Corporation has increased by \$274,437 during the year. It was found necessary during the year to make additional borrowings of \$6,000,000 through debentures guaranteed by the Province of Ontario and by additional capital advances of \$1,175,000 from the Treasurer of Ontario. This additional capital, amounting to \$7,175,000 was used primarily to retire bank loans of \$6,200,000 and to eliminate a bank overdraft of \$441,812.

The Ontario Junior Farmer Establishment Loan Corporation was incorporated without share capital by The Junior Farmer Establishment Act. The Corporation ceased accepting applications for loans on January 12, 1960, to avoid duplication with the new Farm Credit Corporation of the Government of Canada. Prior to that date some 3900 loans, totalling \$29 million, had been granted to assist young, qualified farmers in the establishment, development and operation of their farms.

The general administration expenses of the Corporation have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of bank and debenture interest and sundry charges on the mortgage payments. In the early years of operation the interest revenues were more than sufficient to meet the cost of borrowed money but in each of the last four years a deficit on operations has occurred due to the rise in the cost of borrowed money. The deficits were as follows:

Year ended March 31, 1958.....	\$ 79,699
“ “ “ 1959.....	72,083
“ “ “ 1960.....	193,648
“ “ “ 1961.....	274,437

The assets and liabilities of The Ontario Junior Farmer Establishment Loan Corporation have been included with the other assets in the balance sheet of the Province. The balance sheet of The Ontario Junior Farmer Establishment Loan Corporation is also shown separately in the Public Accounts for 1960-61 on page 63.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—

INVESTMENTS—\$57,654,273

The assets of The Ontario Municipal Improvement Corporation have increased by \$3,192,843 during the year. This is due mainly to an increase in investments and has been financed mainly by the issue of additional debentures in the amount of \$2,500,000, net capital advances of \$161,360 from the Treasurer of Ontario and an excess of revenue over expenditure amounting to \$644,310.

Subject to the approval of the Lieutenant Governor in Council and to the borrowing limitations referred to below, the Corporation may borrow such sums of money as it deems necessary for its purposes by the issue and sale of debentures, bills or notes and by temporary loans, any of which may be guaranteed by the Province of Ontario. The Lieutenant Governor in Council may authorize the Treasurer of Ontario to purchase any debentures, bills or notes of the Cor-

poration and to make advances to the Corporation in such amounts as the Lieutenant Governor in Council may deem expedient. The Corporation, however, may not borrow any money, except to repay securities issued by the Corporation or to repay advances from the Treasurer of Ontario, if, after giving effect to such borrowing, the aggregate principal amount of the outstanding debt of the Corporation would exceed \$150,000,000.

As at March 31, 1961 the Corporation held debentures of Ontario Municipalities and School Boards having a par value of \$55,928,448. The related book value was \$55,800,208. This amount, together with accrued interest receivable of \$1,196,896 and net discount of \$657,169 on debentures issued, make up the Province's investment of \$57,654,273.

The assets and liabilities of The Ontario Municipal Improvement Corporation are also shown separately in the Public Accounts for 1960-61 on page 65.

The general administrative expenses of the Corporation have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of interest on borrowed funds, etc., resulting in a profit of \$644,310 as shown by the financial statements in the Public Accounts for 1960-61 on page 66.

A schedule of debentures of Ontario Municipalities and School Boards held by the Corporation at March 31, 1961 is presented on pages 45-52 of this report. The debentures are held in safekeeping by the Securities Branch of the Treasury Department and were verified by actual count at March 31, 1961.

THE HOUSING DEVELOPMENT ACT—

ADVANCES—\$14,360,524

During the year capital advances of \$2,189,275 were made under authority of the above Act in connection with certain joint housing projects which are controlled by the Government of Canada and the Province of Ontario acting in partnership to provide needed housing accommodation in Ontario.

In the same fiscal year \$1,593,417 has been received and applied as a reduction of the advances pending any subsequent adjustments which may become necessary upon the completion of the individual projects.

ONTARIO WATER RESOURCES COMMISSION—

ADVANCES—\$37,535,863

This Commission was set up in 1956 to assist municipalities in dealing with their financial and physical problems in relation to water resources, sewage and pollution. Projects undertaken must be self-liquidating, producing over a reasonable time a revenue that will cover operating costs, interest charges and debt retirement.

During the fiscal year ended March 31, 1961, there was a net increase of \$14,007,741 in this account, including capitalized net interest charges of \$561,336 calculated to December 31, 1960.

PROVINCIAL STUDENT-AID LOANS—\$2,668,700

The Provincial Student-Aid Loan Fund was established in 1958 by an amendment to The Department of Education Act. Its purpose is to aid students of ability who wish to continue their education beyond the secondary school level and who need assistance. The loans are repayable with interest at 4 per cent per annum commencing upon the first of April following graduation. During the fiscal year ended March 31, 1961, loans were made to 3101 students for a total value of \$1,388,707. Repayments in the same period amounted to \$162,380.

MUNICIPALITIES, ETC.—\$23,464,163

The Co-operative Loans Act—Loans.....		\$ 2,560,659
Tile Drainage Debentures.....		4,237,179
Municipal Debentures—		
City of Windsor.....		1,110,591
Improvement District of Elliot Lake.....		3,954,800
Improvement District of Manitouwadge.....		665,200
Town of Atikokan.....		49,300
Sandwich, Windsor and Amherstburg Railway Company—Bonds		
Due June 30, 1961-77.....	\$ 850,000	
Due April 1, 1980.....	2,100,000	
		2,950,000
The Sault Ste. Marie Bridge Act, 1960—		
International Transit Company Limited....	\$ 297,000	
International Bridge Authority of Michigan.	7,615,072	
St. Mary's River Bridge Company.....	1,360	
		7,913,432
Miscellaneous.....		23,002
		<u>\$23,464,163</u>

Loans made under The Co-operative Loans Act showed a net increase of \$44,757 during the year under review. The total of Tile Drainage Debentures outstanding increased by a net amount of \$539,038. These debentures are held in safekeeping by the Canadian Imperial Bank of Commerce and were confirmed by a test examination carried out at the premises of the Bank. The various municipal debentures and bonds were held in safekeeping as at March 31, 1961 by the Securities Branch of the Treasury Department and were confirmed by actual count together with the securities acquired under The Sault Ste. Marie Bridge Act, 1960 relating to the International Transit Company Limited, the International Bridge Authority of Michigan and the St. Mary's River Bridge Company.

As of April 1, 1960, the Province purchased an issue of 3%, twenty-year sinking fund bonds of the Sandwich, Windsor and Amherstburg Railway payable on the 1st day of April, 1980 in the amount of \$2,100,000 as required by subsection 3(a) of section 3 of The Sandwich, Windsor and Amherstburg Railway Act, 1949.

Under authority of The Sault Ste. Marie Bridge Act, 1960, the Treasurer of Ontario has purchased all of the 3000 issued common shares of the Inter-

national Transit Company Limited. The terms of the purchase agreement required the shares to be paid for in three instalments. The first two instalments, amounting to \$1,377,000, have now been paid and the last instalment of \$300,000 is due in January, 1962. The investment of the Province as at March 31, 1961, in the amount of \$297,000 is arrived at by deducting from the \$1,377,000 already paid an amount of \$1,080,000 received by the Province from the surplus funds of the Company and which has been treated as a partial realization of the investment already made.

Also under the authority of The Sault Ste. Marie Bridge Act, 1960, the Province acquired \$7,850,000 of 6%, series "B" bonds of the International Bridge Authority of Michigan dated September 1, 1960 and due September 1st, 2000, at a net cost of \$7,615,072. Under the related agreement the Bridge Authority is not obliged to pay interest on the series "B" bonds until funds are available from the operation of the bridge which is still under construction. It is estimated that the first payment on account of interest accruing from September 1, 1960 will be paid to the Province in 1964.

The Province also purchased under the same authority 137 shares of the St. Mary's River Bridge Company which are shown on the books of the Province at an amount of \$1,360.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—

INVESTMENTS—\$72,697

The Farm Loans Act—Farm Loans Associations.....	\$36,352
—Capital Stock in Associations.....	2,145
Municipal Debentures—Village of West Lorne.....	34,200
	<u>\$72,697</u>

During the year \$5,800 was received from the Village of West Lorne in connection with a repayment plan approved by the Treasury Department.

GOVERNMENT OF CANADA—\$4,271,015

Debt Account.....	\$2,848,290
Common School Fund.....	1,422,725
	<u>\$4,271,015</u>

Details of these two accounts have been given in my report for 1958-59. No changes have occurred during the year. In accordance with existing arrangements 5% interest has been received during the year from the Government of Canada on the outstanding balances.

HIGHWAYS, BUILDINGS, ETC.—\$1,929,234,331

Highways and Roads.....	\$1,603,151,020	
Less—Capital Disbursements to October 31, 1931, written off.....	165,358,395	\$1,437,792,625
Rural Power Transmission Lines Bonus 1927-61.....	\$ 113,596,959	
Less—Capital Disbursements to October 31, 1931, written off.....	6,014,243	107,582,716
Land, Buildings, Public Works, etc.....		369,480,095
The Niagara Parks Commission—Surplus of Assets (October 31, 1960)....		6,938,954
The Ontario-St. Lawrence Development Commission—Surplus of Assets..		7,439,941
		<u>\$1,929,234,331</u>

During the year the investment in Highways and Roads was increased by a net amount of \$166,815,749. This represents net capital disbursements of \$166,430,219 on highways together with \$1,600,309 spent on mining roads and \$48,010 spent on logging roads less net capital receipts of \$1,027,801 applied to highways and \$234,988 applied to logging roads. The accumulated net capital disbursements to date on highways and roads amounts to \$1,437,792,625.

The highways built prior to 1931 have for the most part lost their usefulness and have become either obsolete or have disappeared under new construction to such an extent that it is considered that their original value has disappeared and therefore the cost of construction should be written off. Accordingly the highway capital disbursements made prior to October 31, 1930 in the amount of \$146,419,807 have been written off in prior years and charged to Surplus, and in the current year a further amount of \$18,938,588, being highway capital disbursements for the fiscal year ended October 31, 1931, has been written off to Surplus. These two amounts totalling \$165,358,395 when deducted from the total disbursements leave a net book value at March 31, 1961, of \$1,437,792,625.

The Rural Power Transmission Lines constructed prior to October 31, 1931 have since that date been substantially reconstructed or replaced and therefore it has been decided to write off Rural Power Bonuses paid prior to October 31, 1931. Accordingly the capital disbursements made prior to October 31, 1930 in the amount of \$4,599,944 have been written off in previous years and charged to Surplus and in the current year a further amount of \$1,414,299 being Rural Power Transmission Bonus for the fiscal year ended October 31, 1931 has been written off to Surplus. These two amounts totalling \$6,014,243 when deducted from the total disbursements leave a net book value at March 31, 1961 of \$107,582,716.

Net increases were made to the value of Land, Buildings, Public Works, etc., during the year in the amount of \$32,470,187. This is made up of a net increase of \$31,028,895 in Land and Buildings, an investment of \$502,483 in Provincial Parks and an increase of \$938,809 in General Works and Improvements. No depreciation has been accrued on Land, Buildings, Public Works, etc.

The Surplus Account of The Niagara Parks Commission, as at the close of its fiscal year October 31, 1960, showed a balance of \$6,938,954, which is included in the accounts of the Province by reason of the authority given by subsection 2 of section 14 of The Niagara Parks Act. This amount has been brought on the balance sheet by an adjustment through Surplus Account.

The assets of The Ontario-St. Lawrence Development Commission amount to \$7,439,941 as at March 31, 1961 as per the balance sheet of the Commission. This figure includes an amount of \$1,277,948 representing expenditures for fixed assets made through ordinary account during the fiscal year ended March 31, 1961. This latter amount has been brought on the balance sheet of the Province by an adjustment through Surplus Account.

THE LIQUOR CONTROL BOARD OF ONTARIO—

INVESTMENT—\$19,007,771

This amount represents the appropriated Surplus of The Liquor Control Board of Ontario as at March 31, 1961. It is the amount required by the Board for financing Accounts Receivable, Inventories, Prepaid Charges, Mortgage Receivable, and Fixed Assets (less reserves). This asset has been brought on the balance sheet by an adjustment through Surplus Account.

OTHER LOANS AND ADVANCES—\$677,193

The Co-operative Loans Act—Loans.....	\$ 83,094
Guaranteed Debentures and Interest Coupons redeemed by the Province of Ontario.....	256,779
Home Bank (in Liquidation) Balance.....	213,000
The Ontario Telephone Development Corporation—Advances.....	67,525
Settlers' Loans.....	56,795
	<u>\$677,193</u>

The items in this group continue to be in arrears or in default. The operations of The Ontario Telephone Development Corporation have been discontinued and the amount of \$67,525 is not expected to be recovered in full. During the year recoveries were made in the amount of \$6,919 of which \$5,603 related to loans made under The Co-operative Loans Act, \$100 was on account of guaranteed debentures and \$1,216 was for settlers' loans. Items deemed to be uncollectable were written off and charged to Surplus Account as follows: The Co-operative Loans Act, \$1,500; Mothers' Allowances—Municipalities, \$1,530.

These assets are carried at book value as the amounts which may be ultimately realized cannot be determined at this time.

DISCOUNT, EXCHANGE AND PREMIUM ON DEBENTURES (less amount amortized)—\$13,203,156

Discounts, Exchange and Premiums on Provincial debenture issues are amortized in each case over the term of the related issue. The unamortized balances making up the above total are shown in detail in the Public Accounts of Ontario for 1960-61 on page 54.

ACCOUNTS RECEIVABLE (less Reserve)—\$15,902,974

This amount is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for doubtful accounts and includes \$4,284,852 representing the unappropriated surplus of The Liquor Control Board of Ontario as shown by the balance sheet of the Board as at March 31, 1961.

The details of the accounts receivable were submitted by Departmental accountants. The reserves provided are considered adequate. This asset has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON BONDS SECURING ADVANCES TO

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—\$2,941,000

The above amount represents interest accrued but not yet due at March 31, 1961. This asset has been brought on the balance sheet by an adjustment through Surplus Account. The principal amount of the bonds held is \$344,620,000 and is referred to earlier in this report.

INTEREST RECEIVABLE (less Reserve)—THE AGRICULTURAL DEVELOPMENT FINANCE ACT—\$246,000

There is owing to the Treasurer of Ontario \$1,946,000 for interest due on the former debentures of the Agricultural Development Board which were retired in full in September 1958. A reserve of \$1,700,000 is provided against the \$1,946,000 since a deficit of \$1,055,406 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectable. During the year interest due was reduced by \$307,000 as compared with \$418,728 in the previous year. This account has been brought on the balance sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS (less Reserve)—\$10,833,645

Inventories of equipment, stores and materials, as compiled by the various Departments, are shown in total above after the deduction of reserves which are deemed adequate to reduce the gross inventory totals to a conservative valuation. Inventories are valued as in previous years on a basis not exceeding cost. This account has been brought on the balance sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$1,424,914,816

Stock and Debentures.....	\$1,630,681,000
Less—Sinking Funds.....	206,666,184
	<u>\$1,424,014,816</u>
6% Bonds of the Sandwich, Windsor and Amherstburg Railway Company due July 1, 1961—Principal liability assumed by Province.....	900,000
	<u>\$1,424,914,816</u>

The details of Stock and Debentures outstanding at March 31, 1961 are shown in the Public Accounts for 1960-61 on page 57.

The Sinking Funds amount to \$206,666,184 of which \$43,918,184 is on deposit with the Treasurer of Ontario. The securities held are shown on page 56 of the Public Accounts for 1960-61 and consist of issues of the Province of Ontario, The Hydro-Electric Power Commission of Ontario, the Ontario Northland Transportation Commission, the Sandwich, Windsor and Amherstburg Railway Company, the University of Toronto and the Government of Canada. These securities were verified by actual count as at March 31, 1961 in the Securities Branch of the Treasury Department. The funds on deposit have been verified from the records of the Treasurer of Ontario.

UNFUNDED DEBT—\$270,589,467

DEMAND DEPOSITS WITH THE PROVINCE OF ONTARIO SAVINGS OFFICE—\$75,494,603

This amount is made up of current deposits \$75,419,043 and unclaimed balances of \$75,560. These accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to depositors is similar to the liability of a chartered bank in regard to savings deposits.

The Agricultural Development Finance Act, 1921 (11 George V, Ch. 31), empowered the Province to borrow money by means of deposits and to open offices for this purpose at various points in the Province. The Treasurer of Ontario is authorized to fix the conditions as to interest and repayments governing such deposits, the rate of interest to be not more than 4% per annum. The present legislation relating to the Savings Office is found in the Revised Statutes of Ontario 1960, Chapter 9. Under the existing legislation the moneys borrowed by way of these deposits may be used for the general purposes of the Province.

SPECIAL FUNDS—\$129,647,087

PUBLIC SERVICE SUPERANNUATION FUND—\$108,724,467

During the year the funds of the Public Service Superannuation Fund on deposit with the Treasurer of Ontario increased by a net amount of \$17,803,725 to a total of \$108,724,467 as at March 31, 1961.

PUBLIC SERVICE RETIREMENT FUND—\$1,156,523

During the year the funds of the Public Service Retirement Fund on deposit with the Treasurer of Ontario increased by a net amount of \$82,333 to a total of \$1,156,523 as at March 31, 1961.

OTHER—\$19,766,097

The funds held for redemption of vacation-with-pay stamps decreased by \$784,204 to a total of \$6,912,731. The funds held for the Unsatisfied Judgment Fund have increased by \$1,912,940 to a total of \$7,195,172 as at March 31, 1961.

HOUSING CORPORATION LIMITED—

LIABILITIES—\$2,342,064

The liabilities of Housing Corporation Limited consist mainly of a bank loan of \$2,200,000 and a bank overdraft of \$133,465 both guaranteed by the Province of Ontario. During the year the bank loan was reduced by \$700,000.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT

LOAN CORPORATION—LIABILITIES—\$20,328,899

The main liabilities of the Ontario Junior Farmer Establishment Loan Corporation are as follows: \$9,000,000 of 2% debentures maturing in June 1965 and \$11,000,000 of 4½% debentures maturing October 1976, both guaranteed by the Province, and accrued interest on these debentures amounting to \$301,729 as at March 31, 1961. In addition the Corporation is indebted to the Treasurer of Ontario for an advance of \$4,075,000 bearing interest at the rate of 5¾% per annum. This item has been eliminated by contra in the preparation of the balance sheet of the Province.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—

LIABILITIES—\$42,776,814

The liabilities of The Ontario Municipal Improvement Corporation are made up mainly of outstanding debentures of \$40,850,000, a bank overdraft of \$1,189,034 and accrued interest on debentures of \$723,404, all guaranteed by the Province of Ontario.

In addition the Corporation is indebted to the Treasurer of Ontario for net advances of \$12,640,000. This item has been eliminated by contra in the preparation of the balance sheet of the Province.

ACCOUNTS PAYABLE—\$3,426,300

The largest departmental total contained in this amount is \$1,775,112 for Lands and Forests and arises from timber deposits and other liabilities of the department. The Treasury Department had accounts payable of \$1,235,561 consisting mainly of corporations tax refunds in course of preparation. The remaining \$415,627 represents the value of goods received and services rendered during the year which had not been paid for at March 31, 1961 by the departments. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$18,813,485

Interest accrued but not yet due at March 31, 1961 on debentures outstanding in the hands of the public, accounts for \$18,803,210 of the above total. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

RESERVES—\$6,624,459

There has been a net increase of \$334,010 in this account. This is due mainly to a credit of \$644,310 to the General Reserve of The Ontario Municipal Improvement Corporation, less a reduction of \$274,437 due to a deficit in the operations of The Ontario Junior Farmer Establishment Loan Corporation which was charged to Reserve for Farm Loans, and less a reduction of \$41,238 due to a deficit in the operations of Housing Corporation Limited charged to the Corporation's Reserve for Mortgage Loans—Principal and Interest.

SURPLUS—\$874,836,021

Surplus has been increased during the fiscal year by a net amount of \$80,958,250. The principal items credited to Surplus Account during the fiscal year were Surplus on Ordinary Account \$391,027, Provision for Sinking Funds \$33,822,000, capital disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue, \$69,000,000, capitalization of expenditures in connection with Provincial Parks and The Ontario-St. Lawrence Development Commission \$1,780,431.

During the fiscal year the main items reducing Surplus Account were Highway Capital Disbursements for the fiscal year ended October 31, 1931 amounting to \$18,938,589 written off, Rural Power Transmission Lines Bonus for the fiscal year ended October 31, 1931 amounting to \$1,414,299 written off, a repayment to the Government of Canada of \$3,062,745 under the Canada-Ontario Tax Rental Agreement 1952-56, and a net amount of \$616,885 relating to year-end adjustments of accounts receivable and payable, stores and materials, and accrued interest, etc.

Details of the changes in Surplus Account for the year are shown in the Public Accounts for 1960-61 on page 8.

CONTINGENT LIABILITIES—\$1,545,482,996

Bonds, etc., guaranteed by the Province of Ontario as at March 31, 1961	\$1,572,108,996
Less—Held in Sinking Funds and Temporary Investments	26,626,000
	<u>\$1,545,482,996</u>

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, a Municipality, a Power Commission, a Railway, a School and a University, etc., as shown on pages 67-69 of the Public Accounts for 1960-61 are in accordance with the authority granted in the governing statutes.

During the fiscal year guarantees of bonds, etc., increased by a net amount of \$79,565,407. This is due mainly to a net increase of \$81,301,500 in issues of The Hydro-Electric Power Commission of Ontario and a reduction in issues of the Ontario Northland Transportation Commission of \$1,655,000.

The amount of contingent liabilities shown on the balance sheet of the Province of Ontario is net of guaranteed obligations held in the sinking funds and temporary investments of the Province of Ontario. For further details see page 70 of the Public Accounts for 1960-61.

CHARTS AND STATEMENTS

Charts showing the trend in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ended March 31, 1961 are appended to this report on pages 36-37. The difference between Gross and Net Provincial Debt and Gross and Net Capital Debt is explained in my report for 1953-54 on page 30. Charts showing the trend in certain major items of Net Ordinary Revenue and Expenditure appear on pages 38-41 of this report. A chart showing comparisons between Estimated and Actual Net Ordinary Voted Expenditure for the ten years ended March 31, 1961 and a chart showing comparisons between Estimated and Actual Net Capital Voted Expenditure for the ten years ended March 31, 1961 are appended on pages 42-43:

The following statements for the fiscal year April 1, 1960 to March 31, 1961 will be found on pages 44-55:

Source and Application of Funds

Debentures of Ontario Municipalities and School Boards held by The Ontario Municipal Improvement Corporation as at March 31, 1961

Comparative Statement of Net Interim and Actual Ordinary Revenue

Comparative Statement of Net Interim and Actual Ordinary Expenditure

Comparative Summary of Net Interim and Actual Ordinary Revenue and Ordinary Expenditure

Comparative Statement of Net Interim and Actual Capital Receipts

Comparative Statement of Net Interim and Actual Capital Disbursements.

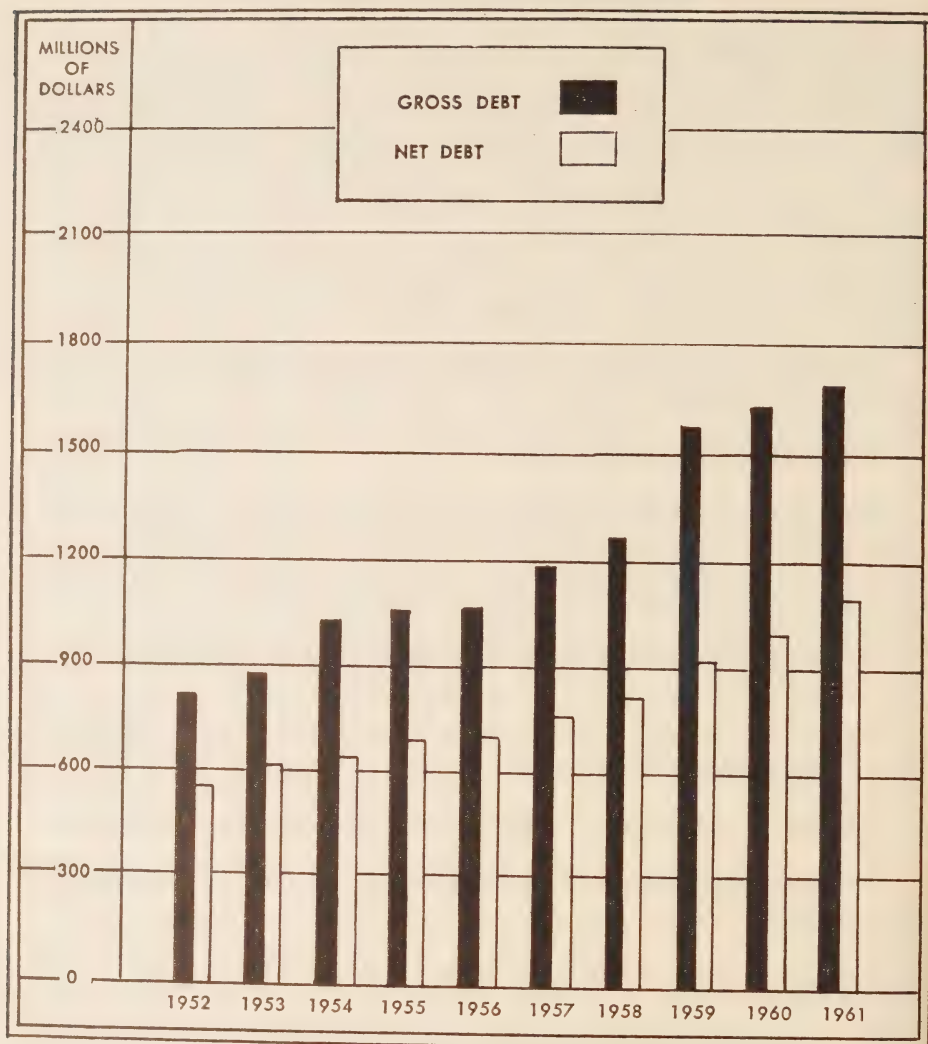
Statements showing details of Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1961 and Special Warrants issued during the fiscal year ended March 31, 1961 are submitted in separate sections immediately following the statements referred to above.

I am very pleased to have this opportunity to acknowledge the willing co-operation and effective help of the officials and staff of the various Departments, Boards and Commissions during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 23, 1961.

GROSS AND NET DEBT*
FOR THE TEN YEARS ENDED MARCH 31, 1961

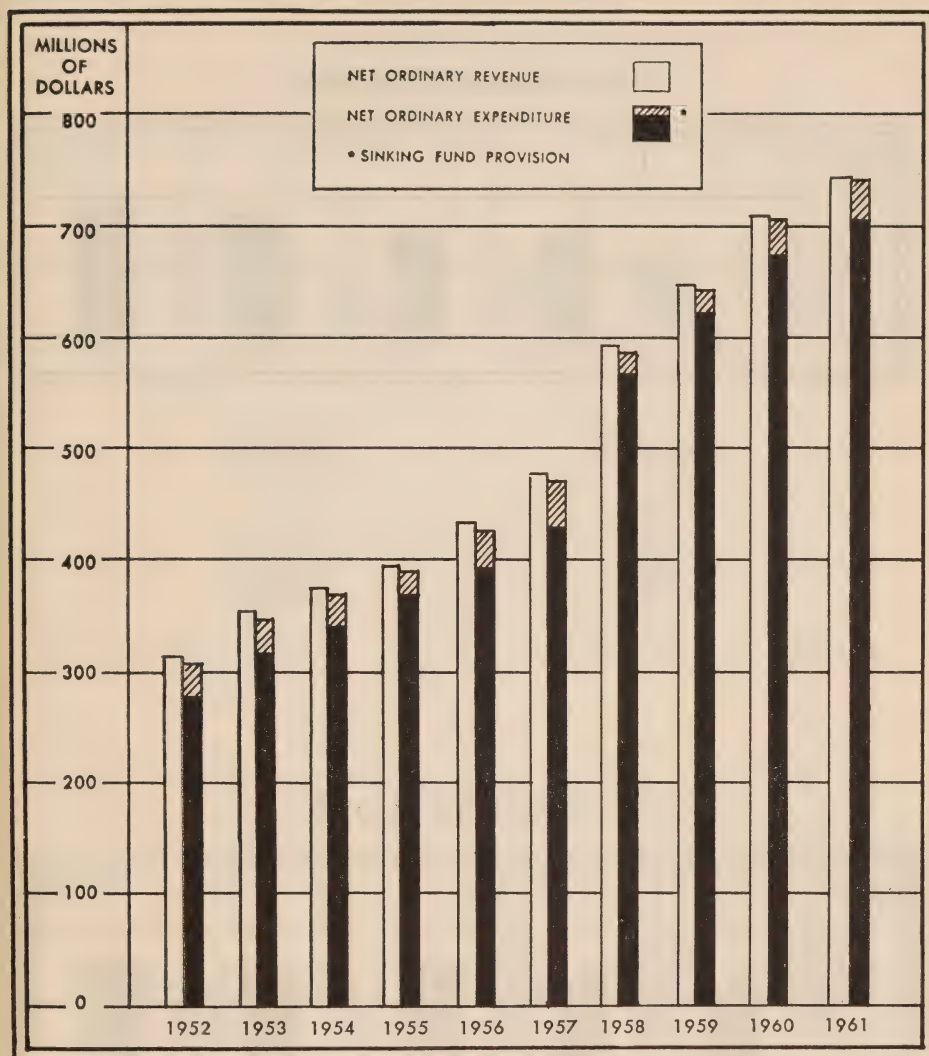


Gross and Net Debt per Public Accounts*

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1952	\$ 826,228,266	\$ 554,634,804
1953	884,231,206	604,832,094
1954	1,035,484,085	629,995,642
1955	1,066,160,741	660,725,169
1956	1,072,409,119	705,306,145
1957	1,196,707,469	758,277,702
1958	1,285,809,989	818,606,441
1959	1,579,113,325	900,532,098
1960	1,642,671,624	993,554,760
1961	1,695,504,283	1,092,616,819

*Gross and Net Provincial Debt, 1952.
 Gross and Net Capital Debt, 1953-1961.

**NET ORDINARY REVENUE AND EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1961**

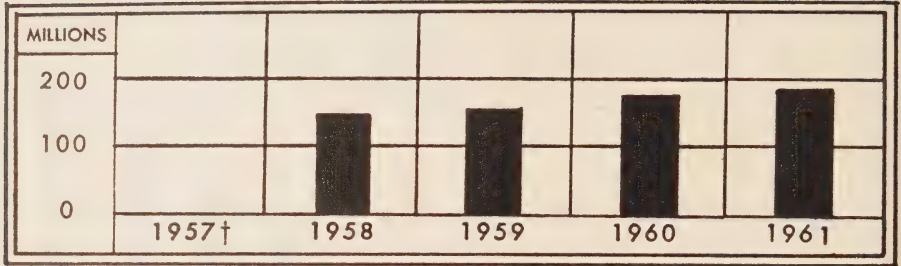


YEAR ENDED MARCH 31	NET ORDINARY REVENUE	NET ORDINARY EXPENDITURE	*SINKING FUND PROVISION
1952	\$ 302,320,999	\$ 301,259,560	\$ 34,276,000
1953	349,500,385	348,399,514	30,859,000
1954	372,973,316	372,040,302	29,945,000
1955	399,393,284	399,249,638	21,536,000
1956	427,969,363	425,464,481	32,630,000
1957	479,783,191	477,978,640	40,729,000
1958	591,849,092	590,983,062	17,833,000
1959	642,374,233	642,070,163	17,941,000
1960	702,469,593	701,605,902	31,054,000
1961	739,391,410	739,000,383	33,822,000

*Included in Net Ordinary Expenditure.

MAJOR ITEMS OF NET
COMPARED FOR THE FIVE

CORPORATIONS TAX



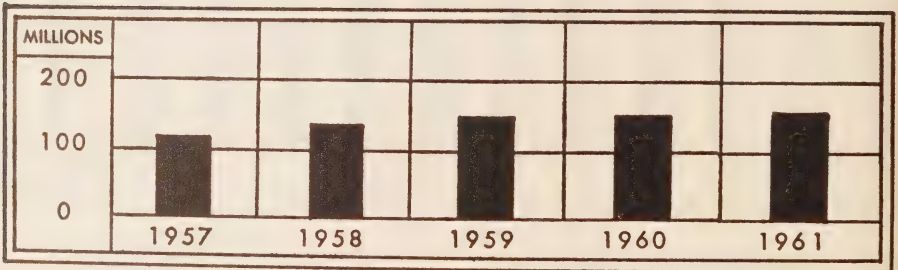
YEAR ENDED
MARCH 31

AMOUNT

1957	.....	\$.....†
1958	.....	148,015,496
1959	.....	158,783,059
1960	.....	175,850,437
1961	.....	185,667,356

†Included in Tax Rental Agreement.

GASOLINE TAX



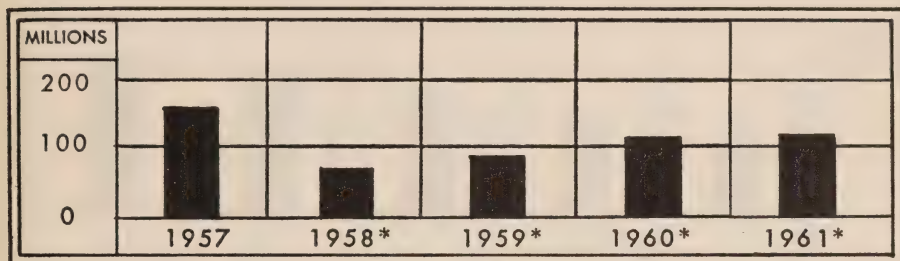
YEAR ENDED
MARCH 31

AMOUNT

1957	.....	\$112,970,087
1958	.....	138,532,259
1959	.....	145,912,609
1960	.....	152,158,907
1961	.....	157,655,684

ORDINARY REVENUE
YEARS ENDED MARCH 31, 1961

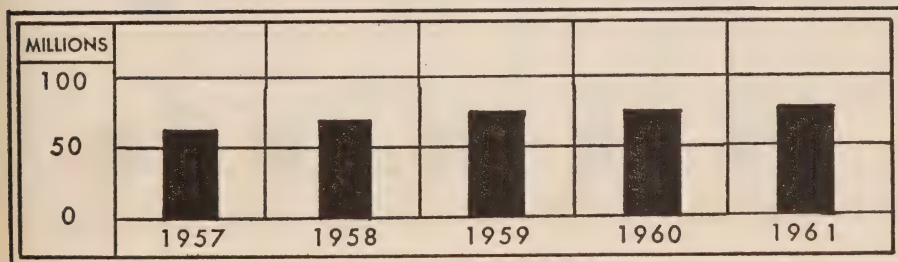
TAX RENTAL AGREEMENT



YEAR ENDED MARCH 31	AMOUNT
1957	\$160,558,129
1958	74,379,000*
1959	89,928,000*
1960	109,605,040*
1961	113,791,937*

*Income Tax Rental Only.

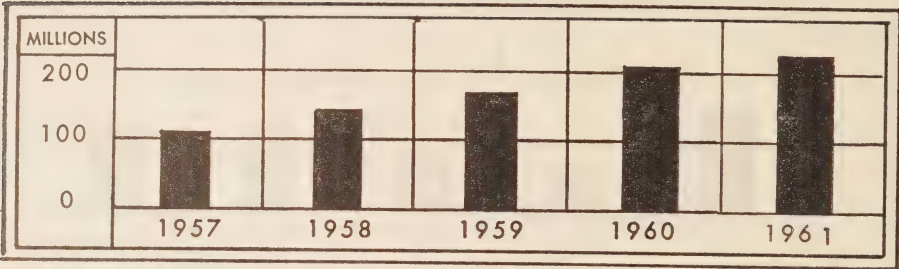
LIQUOR CONTROL REVENUES



YEAR ENDED MARCH 31	AMOUNT
1957	\$56,593,688
1958	66,672,601
1959	76,538,570
1960	76,929,164
1961	80,600,000

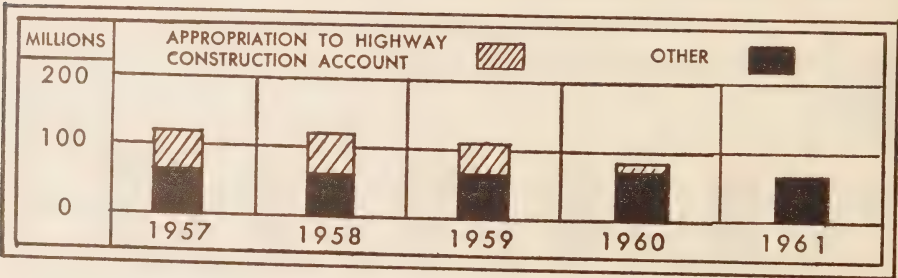
MAJOR ITEMS OF NET
COMPARED FOR THE FIVE

EDUCATION



YEAR ENDED MARCH 31	AMOUNT
1957	\$107,395,641
1958	141,659,812
1959	176,519,991
1960	203,859,896
1961	226,510,583

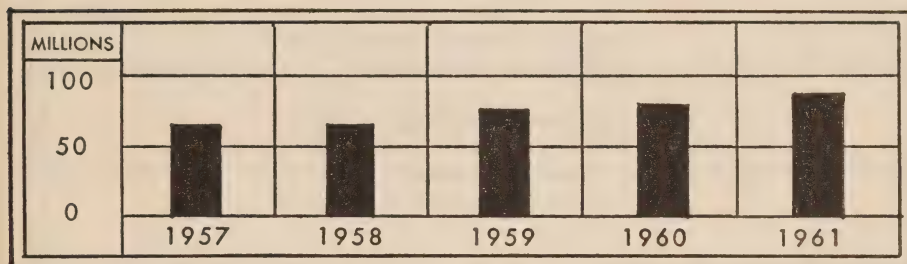
HIGHWAYS AND ROADS, MAINTENANCE, GRANTS, Etc.



YEAR ENDED MARCH 31	APPROPRIATION TO HIGHWAY CONSTRUCTION ACCOUNT	OTHER	TOTAL
1957	\$57,500,000	\$64,781,971	\$122,281,971
1958	57,500,000	64,425,985	121,925,985
1959	45,000,000	68,226,243	113,226,243
1960	15,000,000	73,193,762	88,193,762
1961		71,563,798	71,563,798

ORDINARY EXPENDITURE
YEARS ENDED MARCH 31, 1961

HEALTH SERVICES

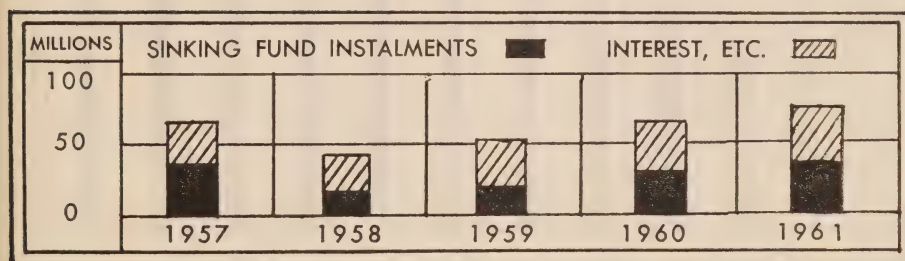


YEAR ENDED
MARCH 31

AMOUNT

1957	.....	\$62,500,398
1958	.....	65,965,085
1959	.....	76,983,395
1960	.....	83,626,383
1961	.....	88,960,472

PUBLIC DEBT



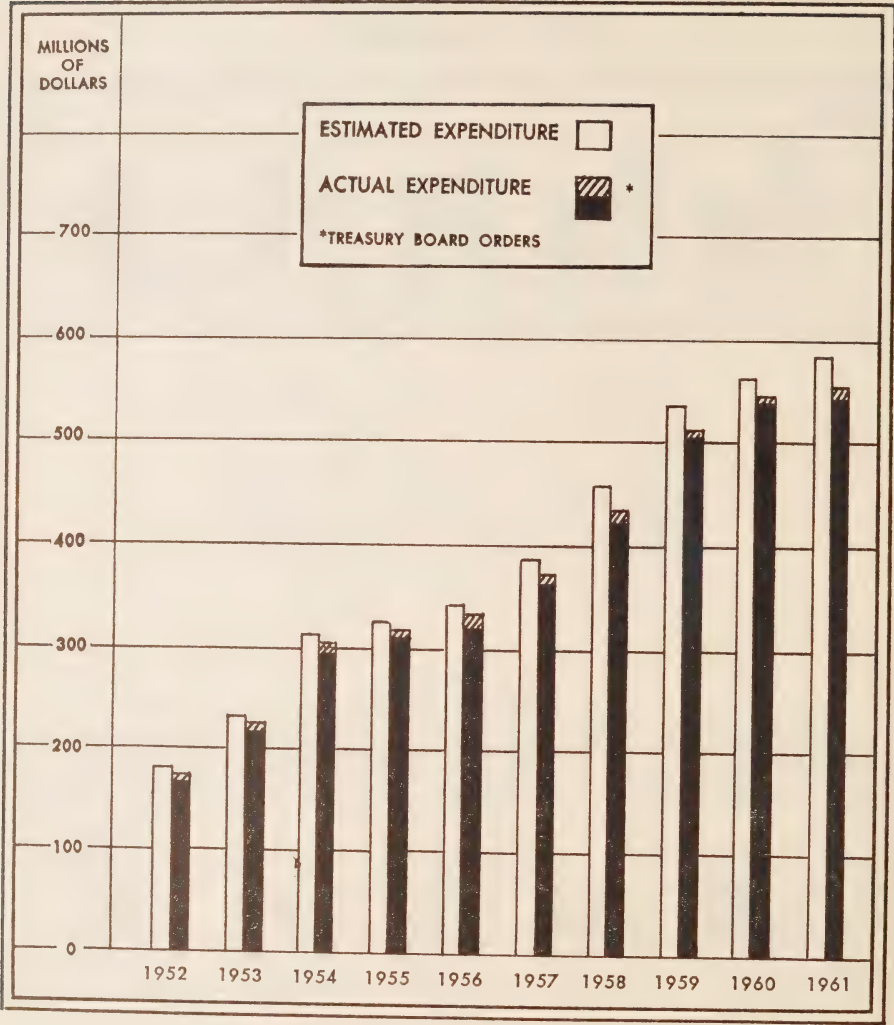
YEAR ENDED
MARCH 31

SINKING FUND
INSTALMENTS

INTEREST
ETC.

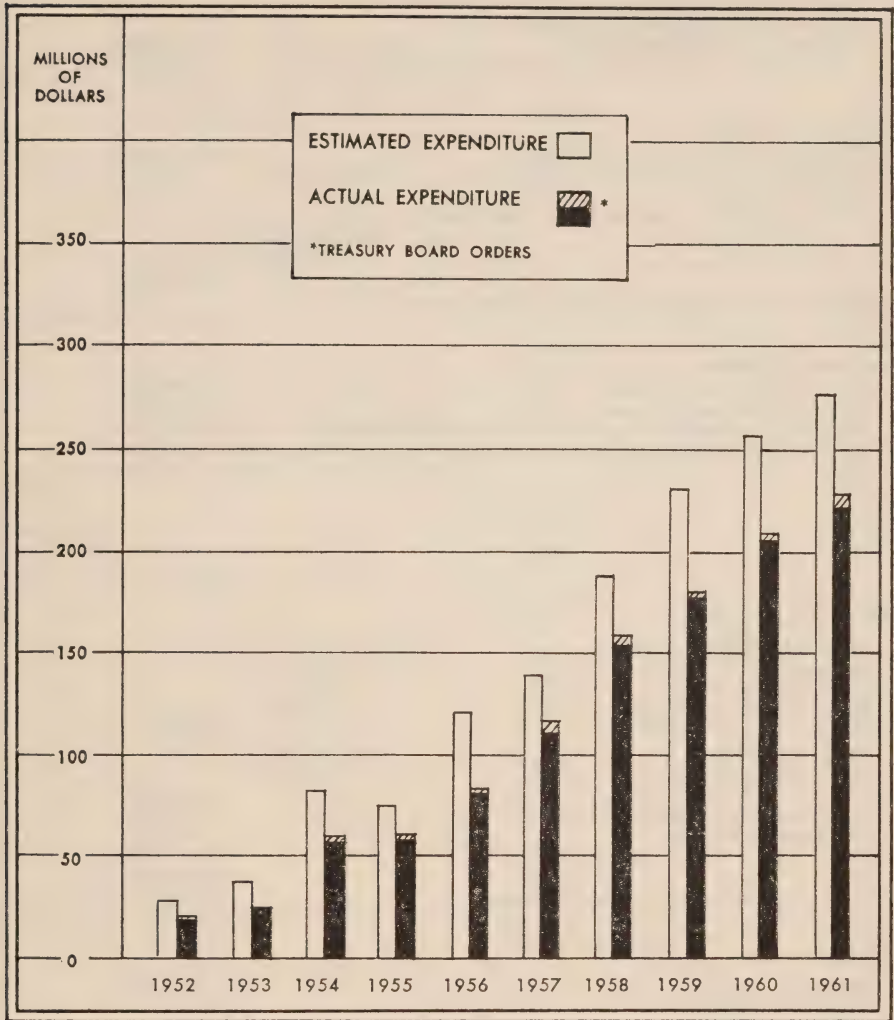
1957	.....	\$40,729,000	\$26,275,714
1958	.....	17,833,000	29,125,879
1959	.....	17,941,000	32,343,999
1960	.....	31,054,000	37,156,022
1961	.....	33,822,000	44,410,520

ESTIMATED NET ORDINARY VOTED EXPENDITURE
COMPARED WITH ACTUAL NET ORDINARY VOTED EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1961



YEAR ENDED MARCH 31	ESTIMATED NET ORDINARY VOTED EXPENDITURE	ACTUAL NET ORDINARY VOTED EXPENDITURE	TREASURY BOARD ORDERS	TOTAL
1952	\$178,748,205	\$169,574,706	\$6,861,166	\$176,435,872
1953	233,663,600	222,029,849	3,603,567	225,633,416
1954	309,184,650	294,917,027	6,155,889	301,072,916
1955	326,586,100	318,382,185	7,564,525	325,946,710
1956	342,382,000	326,780,728	9,171,543	335,952,271
1957	390,372,000	374,572,562	3,268,081	377,840,643
1958	455,108,500	428,260,609	7,020,270	435,280,879
1959	531,676,500	506,037,469	5,075,319	511,112,788
1960	561,796,000	535,551,563	6,385,557	541,937,120
1961	588,203,400	558,082,501	7,842,746	565,925,247

**ESTIMATED NET CAPITAL VOTED EXPENDITURE
COMPARED WITH ACTUAL NET CAPITAL VOTED EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1961**



YEAR ENDED MARCH 31	ESTIMATED NET CAPITAL VOTED EXPENDITURE	ACTUAL NET CAPITAL VOTED EXPENDITURE	TREASURY BOARD ORDERS	TOTAL
1952	\$ 25,401,000	\$ 18,599,956	\$ 935,470	\$ 19,535,426
1953	36,726,000	23,344,409	467,471	23,344,409
1954	80,076,000	59,124,871	637,169	59,592,342
1955	73,900,000	56,495,391	2,951	57,132,560
1956	122,878,000	83,906,424	4,956,458	83,909,375
1957	142,008,000	114,315,129	4,594,280	119,271,587
1958	188,044,000	150,851,738	743,400	155,446,018
1959	230,810,000	178,876,677	1,637,177	179,620,077
1960	258,127,000	207,399,300	4,880,319	209,036,477
1961	275,600,000	225,839,595		230,719,914

**SOURCE AND APPLICATION OF FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 1961**

SOURCE OF FUNDS—

Excess of Ordinary Revenue over Ordinary Expenditure.....		\$ 391,027
Add: Items not requiring an outlay of funds—		
Provision for Sinking Funds.....	\$ 33,822,000	
Discount and Exchange on Debentures, written off (net).....	1,730,892	
		<u>35,552,892</u>

Increase in Liabilities:

Debentures Issued (net of discount).....	\$ 83,075,000	
Demand Deposits with Province of Ontario Savings Office (net)	1,642,229	
Special Funds—		
Public Service Superannuation and Retirement Funds (net).....	\$ 17,886,058	
Other—(net).....	791,539	
	<u>18,677,597</u>	
Bequests, Scholarships and Outstanding Cheques (net).....	5,375	
		<u>103,400,201</u>

Decrease in Assets:

Cash on Hand and in Banks.....	\$ 61,040,666	
Loans and Advances Repaid.....	31,631,832	
Proceeds from Sinking Fund Investments sold and matured....	21,887,500	
Sale of Capital Assets and Recoveries.....	2,284,144	
Other.....	3,160	
	<u>116,847,302</u>	
		<u>\$256,191,422</u>

APPLICATION OF FUNDS—**Investment in Physical Assets:**

Highways.....	\$166,430,219	
Logging Roads.....	48,010	
Mining and Access Roads.....	1,600,309	
	<u>\$168,078,538</u>	
Land and Buildings.....	\$ 31,216,335	
Dams, Docks and Locks.....	850,584	
	<u>32,066,919</u>	
Rural Power Transmission Lines.....	511,076	
Conservation Projects.....	921,722	
	<u>\$201,578,255</u>	
Less—Financed out of Ordinary Revenue.....	69,000,000	
		<u>\$132,578,255</u>

Increase in Other Assets:

Temporary Investments (net).....	\$ 6,215,000	
Loans and Advances—		
Ontario Water Resources Commission.....	\$ 14,007,741	
Investment under The Sault Ste. Marie Bridge Act, 1960.....	8,993,432	
Other.....	15,780,767	
	<u>38,781,940</u>	
Uninvested Sinking Funds.....	15,376,482	
Sinking Fund Investments Purchased.....	14,873,500	
		<u>75,246,922</u>

Decrease in Liabilities:

Debentures Retired through Sinking Funds.....	\$ 25,459,518	
Debentures Retired prior to Maturity.....	3,704,000	
Debentures Retired at Maturity.....	16,139,982	
	<u>45,303,500</u>	
Repayment to Government of Canada under Tax Rental Agreement 1952-56....	3,062,745	
		<u>\$256,191,422</u>

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1961**

NAME	PURPOSE	PAR VALUE
Acton, Town of.....	Water, Sewers and Schools \$	567,400.00
Ajax, Town of.....	Schools.....	123,300.00
Ajax, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	64,000.00
Albion, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8.....	Schools.....	36,600.00
Alliston, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	59,000.00
Amherstburg, Town of.....	Schools.....	170,700.00
Ancaster, Township of.....	Schools.....	81,000.00
Anderdon and Sandwich West, Townships of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 2 and 8.....	Schools.....	40,400.00
Armstrong, Township of—Public School Board of School Section No. 1.....	Schools.....	60,000.00
Atikokan, Township of.....	Water, Sewers and Schools	593,800.00
Atwood, Township of.....	Schools.....	12,800.00
Aurora, Town of.....	Water, Sewers and Schools	607,500.00
Aurora, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	38,900.00
Badgerow, Field, Gibbons and Grant, Townships of— Board of Trustees of Roman Catholic Union Sepa- rate School, United Sections Nos. 1; 1, 2 and 4; 1; and 1.....	Schools.....	195,100.00
Bala, Town of.....	Schools.....	36,100.00
Balfour, Township of.....	Schools.....	109,700.00
Bancroft, Village of.....	Schools.....	94,000.00
Bancroft, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	97,300.00
Bath, Village of.....	Water.....	33,000.00
Beardmore, Improvement District of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	56,700.00
Bertie, Township of.....	Water.....	82,000.00
Bicraft, Improvement District of.....	Schools.....	56,700.00
Black River, Township of.....	Water and Sewers.....	64,000.00
Blenheim, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21.....	Schools.....	41,100.00
Bleazard, Township of.....	Schools.....	73,100.00
Blind River, Town of.....	Water, Sewers and Schools	669,600.00
Blind River, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	359,400.00
Bolton, Village of.....	Schools.....	47,600.00
Bonfield, Township of.....	Schools.....	76,200.00
Bothwell, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	42,000.00
Bracebridge, Town of.....	Water and Schools.....	583,500.00
Braeside, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	39,100.00
Brampton, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	105,800.00
Brantford, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	86,400.00
Broder, Township of—Public School Board of Section No. 2.....	Schools.....	24,400.00
Broder and Dill, Townships of—Board of Public School Trustees, Union School Section No. 1.....	Schools.....	114,600.00
Broder and Dill, Townships of—Board of Trustees of Roman Catholic Separate School, United Sections Nos. 1 and 1.....	Schools.....	82,900.00
Bronte, Village of.....	Water, Sewers and Schools	522,100.00
Bruce Mines, Town of.....	Schools.....	105,800.00
Brudenell and Lyndock and Radcliffe Union, Town- ships of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 3 and 3	Schools.....	18,300.00
Brunel, Township of.....	Schools.....	48,200.00
Burchell Lake, Public School Board of School Section No. 1.....	Schools.....	40,500.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1961**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Burk's Falls, Village of.....	Schools.....	\$ 380,500.00
Burlington, Town of.....	Schools.....	217,000.00
Burlington, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	358,950.00
Burlington-Nelson, Board of Management Inter-Urban Area of.....	Water.....	190,000.00
Caledonia, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	35,300.00
Calvert, Township of.....	Water, Sewers and Schools	102,900.00
Calvert, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 1 and 4.....	Schools.....	196,300.00
Calvert, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4.....	Schools.....	139,600.00
Capreol, Town of.....	Water and Sewers.....	40,900.00
Cardiff, Improvement District of.....	Water, Sewers and Schools	563,500.00
Carew and Cavell, Townships of—Board of Public School Trustees of Union School Section No. 1....	Schools.....	29,200.00
Carnarvon, Township of.....	Schools.....	109,200.00
Cartier (Unorganized), Township of—Board of Trustees of Public School Section No. 1.....	Schools.....	2,300.00
Casgrain, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	35,300.00
Cayuga, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	32,600.00
Chapleau, Township of.....	Sewers.....	197,000.00
Chatham, Township of.....	Water.....	49,000.00
Chelmsford, Town of.....	Water and Schools.....	22,350.00
Chippawa, Village of.....	Water, Sewers and Schools	649,600.00
Chippawa, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	108,300.00
Christie, Township of.....	Schools.....	35,780.00
Cobalt, Town of.....	Schools.....	204,700.00
Cobden, Village of.....	Water and Sewers.....	47,600.00
Cobden, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	19,514.00
Cochrane, Town of.....	Sewers.....	71,000.00
Colchester North, Township of.....	Schools.....	88,100.00
Colchester North, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 2 and 5.....	Schools.....	29,300.00
Conger and Cowper, Townships of—Board of Public School Trustees, Union School Section No. 4.....	Schools.....	17,450.00
Conmee, Township of.....	Schools.....	42,500.00
Cornwall, City of.....	Water and Schools.....	50,000.00
Crowland, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	109,700.00
Crystal Beach, Village of.....	Water and Sewers.....	113,400.00
Crystal Beach, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	38,900.00
Dawson Road, Forbes and Goldie, Township School Area of—Public School Board.....	Schools.....	44,000.00
Dorchester South, Yarmouth, Westminster and Dorchester North, Townships of—Board of Trustees of Roman Catholic Separate School, Union Public School Section Nos. 11, 20, 12 and 20.....	Schools.....	37,000.00
Dorion, Improvement District of.....	Schools.....	37,700.00
Dover, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 3, 7, 9, 13 and 14.....	Schools.....	127,900.00
Dowling, Township of.....	Schools.....	40,200.00
Dowling, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	38,400.00
Draper, Township of.....	Schools.....	59,400.00
Drury, Denison and Graham, United Townships of...	Schools.....	95,100.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1961**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Dryden, Town of.....	Water.....	\$ 29,600.00
Dryden and Awrey, Townships of—Board of Public School Trustees of Union School Section Nos. 3; and 1.....	Schools.....	63,400.00
Dungannon, Township of.....	Schools.....	35,800.00
Dymond, Township of.....	Schools.....	53,500.00
Dysart, Guilford, Harburn, Dudley, Harcourt, Bruton, Havelock, Eyre and Clyde, Townships of.....	Schools.....	24,000.00
Eilber, Barker and Devitt, (Unorganized) Townships of—Public School Board of School Section No. 1.....	Schools.....	29,500.00
Ellice, Township of—Board of Trustees of Roman Catholic Separate School Section No. 6.....	Schools.....	1,600.00
Elliot Lake, Improvement District of.....	Water, Sewers and Schools	8,273,100.00
Elliot Lake, Improvement District of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	604,100.00
Elmvale, Village of.....	Water.....	1,600.00
Essa, Township of.....	Schools.....	37,000.00
Essex, County of.....	Schools.....	294,500.00
Etobicoke, Township of.....	Water and Sewers.....	631,000.00
Etobicoke, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 11 and 15.....	Schools.....	306,100.00
Eton, Aubrey, Wainwright and Van Horne, (Unor- ganized) Townships of—Public School Board of the Township School Area.....	Schools.....	90,000.00
Faraday, Township of.....	Schools.....	85,800.00
Fisher, (Unorganized) Township of—Board of Trus- tees of Roman Catholic Separate School Section No. 1.....	Schools.....	14,100.00
Fisher and Herrick, Townships of—Board of Public School Trustees of Union School Section No. 1.....	Schools.....	17,900.00
Fonthill, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	115,500.00
Fort Frances, Town of.....	Water and Sewers.....	14,200.00
Fort Frances, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	58,500.00
Freeman, Township of.....	Schools.....	6,800.00
Frontenac, County of.....	Schools.....	708,000.00
Garson, Township of—Board of Trustees of Roman Catholic Separate School Sections Nos. 2 and 3.....	Schools.....	238,500.00
Georgetown, Town of.....	Water, Sewers and Schools	1,046,740.00
Georgetown, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	160,500.00
Geraldton, Town of.....	Schools.....	190,700.00
Glackmeyer, Township of.....	Schools.....	22,000.00
Gladstone, Improvement District of.....	Schools.....	12,600.00
Gladstone, Bright, Parkinson, Patton and Eley, (Un- organized) Townships of—Board of School Trustees of Township School Area.....	Schools.....	35,300.00
Glencoe, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	17,700.00
Gloucester, Township of.....	Schools.....	138,000.00
Gore Bay, Town of.....	Schools.....	151,000.00
Gorham and Ware, Townships of—Public School Board of the Township School Area.....	Schools.....	54,000.00
Grantham, Township of.....	Water and Sewers.....	374,300.00
Grantham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	105,800.00
Grantham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8.....	Schools.....	35,300.00
Grimby North, Township of.....	Schools.....	28,900.00
Gwillimbury West, Township of.....	Drainage.....	73,530.00
Hagar, Loughrin and Awrey, Townships of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 1 and 2; 1; and 1.....	Schools.....	58,500.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1961**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Haultain, Milner and Nicol—Public School Board of the Township School Area.....	Schools.....	\$ 73,900.00
Hawkesbury, Town of.....	Water and Sewers.....	39,300.00
Hearst, Town of.....	Water and Sewers.....	35,000.00
Hensall, Village of.....	Schools.....	98,200.00
Hespeler, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	77,000.00
Houghton, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	38,200.00
Ignace, Township of.....	Schools.....	69,600.00
Ingram, (Unorganized) Township of—Board of Trustees of the Township School Area.....	Schools.....	15,200.00
Innisfil, Township of.....	Schools.....	139,500.00
Innisfil, Township of—Board of Trustees of Roman Catholic Separate School Section No. 12.....	Schools.....	68,900.00
Jaffray and Melick, Township of.....	Schools.....	33,700.00
Jaffray and Melick, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3....	Schools.....	80,000.00
Joan and Phyllis, (Unorganized) Townships of—Board of School Trustees of the Township School Area.....	Schools.....	23,600.00
Johnson, Township of.....	Schools.....	42,200.00
Kashabowie, Township of—Public School Board of School Section No. 1.....	Schools.....	23,400.00
Keewatin, Town of.....	Schools.....	307,000.00
Keewatin, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	88,600.00
Kendrey, Improvement District of.....	Water and Sewers.....	67,200.00
King, Township of.....	Drainage.....	30,050.00
Kingston, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	58,500.00
Korah, Township of.....	Water, Sewers and Schools	94,100.00
Korah, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	85,100.00
Korah, Township of—Board of Trustees of Roman Catholic Union Separate School, United School Sections Nos. 3 and 5.....	Schools.....	65,000.00
Lakefield, Village of.....	Water and Schools.....	245,900.00
Lakefield, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	36,600.00
Larder Lake, Township of.....	Schools.....	45,500.00
La Salle, Town of.....	Water and Schools.....	102,300.00
Lewis, Township of—Board of Trustees of Public School Section No. 2.....	Schools.....	9,100.00
Lewis and Spragge, Townships of—Board of Public School Trustees, Union School Section No. 2.....	Schools.....	31,900.00
Lion's Head, Village of.....	Schools.....	83,200.00
London, Township of.....	Sewers and Schools.....	123,762.07
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	68,800.00
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21.....	Schools.....	75,600.00
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 22.....	Schools.....	132,100.00
London, Township of—Board of Trustees of Roman Catholic Separate School Section No. 23.....	Schools.....	127,400.00
Long and Striker, Townships of—Board of Trustees of Public School Union Sections Nos. 1; and 1.....	Schools.....	52,000.00
Lutterworth, Township of.....	Schools.....	36,600.00
Lybster and South Marks, (Unorganized) Townships of—Board of School Trustees of the Township School Area.....	Schools.....	18,300.00
Macaulay, Township of.....	Schools.....	77,900.00
Macdonald, Meredith and Aberdeen Additional, Townships of.....	Schools.....	62,700.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1961**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Machin, Township of.....	Schools.....	\$ 2,700.00
Madoc, Village of.....	Water and Sewers.....	17,000.00
Maidstone, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	53,200.00
Manitouwadge, Improvement District of.....	Water and Schools.....	1,447,000.00
Manitouwadge, Improvement District of—Board of Trustees of the Township School Area.....	Schools.....	538,200.00
Markdale, Village of.....	Schools.....	41,300.00
Markham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	69,900.00
Marmora, Village of.....	Schools.....	79,400.00
Massey, Town of.....	Schools.....	41,800.00
Matheson, Town of.....	Water, Sewers and Schools.....	80,700.00
Mattawa, Town of.....	Water and Sewers.....	115,400.00
Michipicoten, Township of.....	Schools.....	92,400.00
Middleton, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	47,300.00
Middleton and North Walsingham, Townships of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 6 and 22.....	Schools.....	68,300.00
Milton, Town of.....	Sewers and Schools.....	297,800.00
Monmouth, Township of.....	Schools.....	46,800.00
Monteale and Herschel, (Unorganized) United Townships of.....	Schools.....	28,400.00
Moore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	13,100.00
Morrisburg, Village of.....	Sewers.....	1,000.00
McKim, Township of.....	Water, Sewers and Schools.....	711,000.00
Neelon and Garson, United Townships of.....	Water and Schools.....	1,214,700.00
Nelson, Township of.....	Schools.....	680,000.00
New Liskeard, Town of.....	Water and Sewers.....	7,200.00
Newmarket, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	113,300.00
Niagara, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	105,800.00
Niagara, Township of.....	Sewers.....	5,600.00
Niagara, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	37,800.00
Nipigon, Township of.....	Sewers.....	73,900.00
North Fredericksburgh, Township of.....	Schools.....	12,300.00
North Gwillimbury, Township of.....	Schools.....	209,900.00
North York, Township of.....	Incinerator, Water and Sewers.....	749,007.73
Oakley, Township of.....	Schools.....	38,800.00
Oakville, Town of.....	Water.....	291,100.00
Onaping, Improvement District of.....	Schools.....	88,500.00
Oro, Township of.....	Schools.....	30,300.00
Paipoonge, Township of.....	Schools.....	103,400.00
Parkhill, Town of, and Williams West, Township of—Board of Trustees of Roman Catholic Union Separate School, United Section No. 10.....	Schools.....	39,000.00
Parry Sound, Town of.....	Water and Sewers.....	2,200.00
Pelham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	37,800.00
Pembroke, Township of.....	Schools.....	63,400.00
Penetanguishene, Town of.....	Schools.....	254,000.00
Petawawa, Township of.....	Schools.....	79,200.00
Pic, Township of—Public School Board of Section No. 1.....	Schools.....	64,000.00
Pickering, Township of.....	Schools.....	987,917.58
Pickering, Village of.....	Schools.....	96,000.00
Port Carling, Village of.....	Water.....	15,100.00
Port Credit, Village of.....	Water and Schools.....	249,400.00
Port Credit, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	117,100.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1961**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Port Dalhousie, Town of.....	Water.....	\$ 15,200.00
Port Dalhousie, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	59,300.00
Port McNicoll, Village of.....	Water.....	10,900.00
Powassan, Town of.....	Schools.....	322,700.00
Prescott, Town of.....	Schools.....	204,000.00
Prince, Township of.....	Schools.....	18,900.00
Rainy River, Town of.....	Schools.....	127,400.00
Rayside, Township of.....	Schools.....	54,900.00
Redditt, Township of—Public School Board of Section No. 1.....	Schools.....	21,300.00
Red Lake, Improvement District of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	81,200.00
Red Rock, Improvement District of.....	Water, Sewers and Schools	23,300.00
Red Rock, Improvement District of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	75,500.00
Renfrew, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	164,000.00
Richmond Hill, Town of.....	Schools.....	265,500.00
Richmond Hill, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	70,500.00
Riverside, Town of.....	Water, Sewers and Schools	95,889.00
Riverside, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	313,600.00
Rockland, Town of.....	Water.....	26,600.00
Rodney, Village of, and Aldborough, Township of— Board of Trustees of Roman Catholic Union Sepa- rate School for the Village and Section No. 5.....	Schools.....	35,300.00
Ryan, Kincaid and Herrick, Townships of—Board of Public School Trustees, Union School Section Nos. 1; 1; and 2.....	Schools.....	11,900.00
St. Clair Beach, Village of.....	Water, Sewers and Schools	110,150.00
St. Clair Beach, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	39,000.00
Saltfleet, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	155,600.00
Sandwich East, Township of.....	Water, Sewers and Schools	568,130.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	69,700.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	9,300.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	37,800.00
Sandwich South, Township of.....	Schools.....	33,200.00
Sandwich South, Township of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	70,800.00
Sandwich West, Township of.....	Water, Sewers and Schools	1,051,628.00
Sandwich West, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	70,800.00
Sandwich West, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 2, 3, 4, 7 and 9.....	Schools.....	691,600.00
Sault Ste. Marie, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	205,500.00
Savant Lake—Public School Board of School Section No. 1.....	Schools.....	11,800.00
Schreiber, Township of.....	Water.....	22,000.00
Schreiber, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	21,000.00
Seneca, Township of—Board of Trustees of Roman Catholic Separate School Section No. 11.....	Schools.....	19,100.00
Shebandowan—Public School Board of School Section No. 1.....	Schools.....	23,400.00
Shedden, Township of—Public School Board of Section No. 1.....	Schools.....	67,600.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1961**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Shedden, Township of—Board of Trustees of Roman Catholic Separate School.	Schools.	\$ 151,300.00
Sherwood, Jones and Burns, Townships of.	Schools.	33,000.00
Sidney, Township of—Board of Trustees of Roman Catholic Separate School Section No. 11.	Schools.	17,900.00
Sioux Lookout, Town of.	Water and Sewers.	170,300.00
Sioux Lookout, Town of—Board of Trustees of Roman Catholic Separate Schools.	Schools.	93,100.00
South River, Village of.	Water.	70,000.00
Spragge, Township of—Public School Board of Section No. 1.	Schools.	56,700.00
Stafford, Township of.	Schools.	34,500.00
Stamford, Township of.	Water.	792,000.00
Stamford, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 3, 4, 5 and 6.	Schools.	113,300.00
Stamford, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 4, 5 and 6.	Schools.	91,400.00
Stamford, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.	Schools.	104,700.00
Stouffville, Village of.	Sewers.	440,700.00
Strathroy, Town of—Board of Trustees of Roman Catholic Separate Schools.	Schools.	14,900.00
Streetsville, Village of.	Schools.	96,000.00
Strong, Township of.	Schools.	174,700.00
Sturgeon Falls, Town of.	Schools.	217,400.00
Sudbury, City of.	Water and Sewers.	182,000.00
Sudbury, City of—Board of Trustees of Roman Catholic Separate Schools.	Schools.	278,300.00
Sunnidale, Township of.	Schools.	54,900.00
Sutton, Village of.	Water.	268,600.00
Tarentorus, Township of.	Water, Sewers and Schools	284,100.00
Tarentorus, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4.	Schools.	82,900.00
Tay, Township of.	Water.	59,300.00
Teck, Township of.	Water.	173,548.00
Tecumseh, Town of.	Sewers.	2,700.00
Thamesville, Village of—Board of Trustees of Roman Catholic Separate Schools.	Schools.	45,000.00
Thessalon, Town of.	Schools.	82,680.00
Thessalon, Township of.	Schools.	100,000.00
Thorold, Town of—Board of Trustees of Roman Catholic Separate Schools.	Schools.	178,300.00
Timmins, Town of.	Sewers.	76,100.00
Timmins, Town of—Board of Trustees of Roman Catholic Separate Schools.	Schools.	571,300.00
Tisdale, Township of.	Water and Sewers.	334,400.00
Toronto, Township of.	Water, Sewers and Schools	1,724,600.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.	Schools.	97,300.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.	Schools.	75,600.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4.	Schools.	168,100.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.	Schools.	126,900.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.	Schools.	69,900.00
Toronto Gore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 6.	Schools.	35,300.00
Trafalgar, Township of.	Sewers and Schools.	750,000.00
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 13.	Schools.	156,500.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1961**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 18.	Schools.	\$ 131,000.00
Twenty-seven and Twenty-eight, Townships of—Board of Trustees of Roman Catholic Separate School, Union School Section No. 1.	Schools.	39,000.00
Upsala, Township School Area of—Public School Board.	Schools.	37,800.00
Vaughan, Township of—Board of Trustees of Roman Catholic Separate School Section No. 25.	Schools.	78,000.00
Vermilion Additional, Drayton, Jordan and Vermilion, Townships of—Board of Public School Trustees, Union School Sections Nos. 1; 2; 1; and 1.	Schools.	100,400.00
Vespra, Township of.	Schools.	48,700.00
Wallaceburg, Town of—Board of Trustees of Roman Catholic Separate Schools.	Schools.	88,100.00
Waterford, Village of—Board of Trustees of Roman Catholic Separate Schools.	Schools.	22,400.00
Waters, Township of.	Schools.	116,600.00
Webbwood, Town of.	Schools.	35,100.00
West Ferris, Township of.	Water, Sewers and Schools	673,672.00
Westminster, Township of.	Sewers and Schools.	106,000.00
Westminster, Township of—Board of Trustees of Roman Catholic Separate School Section No. 17.	Schools.	39,000.00
Whitney, Township of.	Sewers.	25,100.00
Wicksteed, Township of.	Schools.	43,800.00
Wicksteed, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.	Schools.	97,600.00
Widdifield, Township of.	Water.	35,100.00
Windsor, City of.	Water.	1,000,000.00
Windsor, City of—Board of Trustees of Roman Catholic Separate Schools.	Schools.	987,900.00
Wollaston, Township of.	Schools.	40,000.00
Woodbridge, Village of.	Water and Schools.	160,400.00
Wyoming, Village of—Board of Trustees of Roman Catholic Separate School.	Schools.	35,300.00
Yarmouth, Township of—Board of Trustees of Roman Catholic Separate School Section No. 18.	Schools.	111,900.00
		<u>\$55,928,448.38</u>

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1960, TO MARCH 31, 1961**

DEPARTMENT	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 1,840,000	\$ 1,862,483	\$ 22,483	\$
Attorney General.....	6,378,000	6,807,339	429,339	
Commerce and Development.....	92,000	93,698	1,698	
Economics.....		1,877	1,877	
Education.....	2,728,000	3,105,510	377,510	
Energy Resources.....	345,000	83,406		261,594
Health.....	1,357,000	1,436,701	79,701	
Highways.....	1,404,000	1,457,041	53,041	
Insurance.....	635,000	680,497	45,497	
Labour.....	1,050,000	1,103,473	53,473	
Lands and Forests.....	20,225,000	20,811,711	586,711	
Mines.....	19,159,000	18,328,814		830,186
Municipal Affairs.....	308,000	331,060	23,060	
Prime Minister.....		39	39	
Provincial Secretary and Citizenship.....	2,505,000	2,491,878		13,122
Public Welfare.....		4,156	4,156	
Public Works.....	367,000	377,531	10,531	
Reform Institutions.....	693,000	706,622	13,622	
Transport.....	68,500,000	67,732,520		767,480
Travel and Publicity.....	294,000	296,627	2,627	
Treasury:				
Main Office—				
Subsidy.....	3,641,000	3,640,940		60
Interest.....	71,000	71,136	136	
Miscellaneous.....		75,014	75,014	
Ontario Racing Commission.....	125,000	119,173		5,827
The Liquor Control Board of Ontario—				
Profits, etc.....	80,500,000	80,600,000	100,000	
Public Utilities Tax.....	1,100,000	577,914		522,086
Water Power Rentals.....	6,000,000	5,646,792		353,208
Comptroller of Revenue—				
Income Tax Rental Agreement..	113,790,000	113,791,937	1,937	
Corporations Tax.....	187,000,000	185,667,356		1,332,644
Gasoline Tax.....	157,000,000	157,655,684	655,684	
Motor Vehicle Fuel Tax.....	6,800,000	6,847,894	47,894	
Hospitals Tax.....	4,000,000	4,218,448	218,448	
Succession Duty.....	36,000,000	37,603,205	1,603,205	
Race Tracks Tax.....	5,733,000	5,732,960		40
Security Transfer Tax.....	1,950,000	2,194,009	244,009	
Land Transfer Tax.....	3,500,000	3,570,674	70,674	
Law Stamps.....	1,850,000	1,839,261		10,739
Logging Tax.....	1,650,000	1,822,475	172,475	
Miscellaneous.....		1,382	1,382	
Total for Treasury.....	<u>\$610,710,000</u>	<u>\$611,676,254</u>	<u>\$3,190,858</u>	<u>\$2,224,604</u>
Stationery Account.....		\$ 2,173	\$ 2,173	
	<u><u>\$738,590,000</u></u>	<u><u>\$739,391,410</u></u>	<u><u>\$4,898,396</u></u>	<u><u>\$4,096,986</u></u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1960, TO MARCH 31, 1961**

DEPARTMENT	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 15,888,000	\$ 15,473,381	\$	\$ 414,619
Attorney General.....	21,230,000	21,034,953		195,047
Commerce and Development.....	4,564,000	4,497,604		66,396
Economics.....	410,000	396,199		13,801
Education.....	227,045,000	226,510,583		534,417
Energy Resources.....	636,000	640,839	4,839	
Health.....	90,504,000	88,960,472		1,543,528
Highways.....	73,823,000	71,563,798		2,259,202
Insurance.....	436,000	423,274		12,726
Labour.....	3,107,000	3,042,893		64,107
Lands and Forests.....	24,485,000	23,229,039		1,255,961
Lieutenant Governor.....	28,000	27,476		524
Mines.....	1,609,000	1,583,030		25,970
Municipal Affairs.....	37,327,000	36,855,954		471,046
Prime Minister.....	179,000	178,694		306
Provincial Auditor.....	437,000	435,965		1,035
Provincial Secretary and Citizenship.....	3,404,000	3,364,539		39,461
Public Welfare.....	50,690,000	51,018,830	328,830	
Public Works.....	11,524,000	10,803,114		720,886
Reform Institutions.....	13,043,000	12,623,996		419,004
Transport.....	4,500,000	4,504,749	4,749	
Travel and Publicity.....	1,910,000	1,881,841		28,159
Treasury.....	12,675,000	12,716,640	41,640	
	<u>\$599,454,000</u>	<u>\$591,767,863</u>	<u>\$ 380,058</u>	<u>\$ 8,066,195</u>
Public Debt:				
Interest, etc.....	44,889,000	44,410,520		478,480
Provision for Sinking Funds.....	16,954,000	33,822,000	16,868,000	
	<u>\$661,297,000</u>	<u>\$670,000,383</u>	<u>\$17,248,058</u>	<u>\$ 8,544,675</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	77,000,000	69,000,000		8,000,000
	<u>\$738,297,000</u>	<u>\$739,000,383</u>	<u>\$17,248,058</u>	<u>\$16,544,675</u>

*9 months' actual—3 months' forecast.

COMPARATIVE SUMMARY

**NET INTERIM* AND ACTUAL ORDINARY REVENUE AND ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1960, TO MARCH 31, 1961**

	INTERIM	ACTUAL	ACTUAL TO INTERIM
Net Ordinary Revenue.....	\$738,590,000	\$739,391,410	\$ 801,410
Less: Net Ordinary Expenditure (before items below)	\$644,343,000	\$636,178,383	\$ 8,164,617
Provision for Sinking Funds.....	16,954,000	33,822,000	16,868,000
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	77,000,000	69,000,000	8,000,000
Net Ordinary Expenditure.....	<u>\$738,297,000</u>	<u>\$739,000,383</u>	<u>\$ 703,383</u>
Surplus.....	<u>\$ 293,000</u>	<u>\$ 391,027</u>	<u>\$ 98,027</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL
RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1960, TO MARCH 31, 1961**

DEPARTMENT	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL TO INTERIM INCREASE	DECREASE
Commerce and Development.....	\$ 1,449,000	\$ 1,757,315	\$ 308,315	\$
Education.....	144,000	162,380	18,380	
Highways.....	940,000	1,035,201	95,201	
Labour.....	10,600,000	10,250,004		349,996
Lands and Forests.....	800,000	853,689	53,689	
Mines.....	75,000	62,451		12,549
Public Welfare.....		17,265	17,265	
Public Works.....	96,000	185,308	89,308	
Transport.....	4,400,000	4,426,950	26,950	
Treasury.....	74,918,000	92,142,355	17,224,355	
	<u>\$ 93,422,000</u>	<u>\$110,892,918</u>	<u>\$17,833,463</u>	<u>\$ 362,545</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL
DISBURSEMENTS FOR THE FISCAL YEAR APRIL 1, 1960, TO MARCH 31, 1961**

DEPARTMENT	NET INTERIM CAPITAL DISBURSE- MENTS	NET ACTUAL CAPITAL DISBURSE- MENTS	ACTUAL TO INTERIM INCREASE	DECREASE
Agriculture.....	\$ 450,000	\$ 243,000	\$	\$ 207,000
Commerce and Development:				
Realizable Assets.....	2,250,000	2,189,276		60,724
Conservation Works, etc.....	1,000,000	921,721		78,279
Education.....	1,500,000	1,388,707		111,293
Energy Resources.....	805,000	511,076		293,924
Highways.....	171,039,000	166,430,219		4,608,781
Labour.....	11,000,000	11,031,808	31,808	
Lands and Forests.....	100,000	48,010		51,990
Mines.....	1,500,000	1,600,309	100,309	
Municipal Affairs.....	1,520,000	770,000		750,000
Ontario Water Resources				
Commission.....	15,000,000	14,007,741		992,259
Public Welfare.....		22,204	22,204	
Public Works.....	36,900,000	32,066,919		4,833,081
Transport—				
Unsatisfied Judgment Fund.....	2,600,000	2,514,010		85,990
Treasury.....	32,576,000	32,418,678		157,322
	<u>\$278,240,000</u>	<u>\$266,163,678</u>	<u>\$ 154,321</u>	<u>\$12,230,643</u>
Less: Financed out of Ordinary Revenue.....	77,000,000	69,000,000		8,000,000
	<u>\$201,240,000</u>	<u>\$197,163,678</u>	<u>\$ 154,321</u>	<u>\$4,230,643</u>

*9 months' actual—3 months' forecast.

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS DURING THE FISCAL YEAR ENDED MARCH 31, 1961

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Agriculture		
	Main Office:		
Feb. 15, 1961	Salaries.....	2,600.00	2,045.72
Mar. 8, 1961	Travelling Expenses.....	2,400.00	1,931.40
Dec. 27, 1960	Maintenance.....	1,500.00	1,421.20
Feb. 15, 1961	Removal Expenses of Officials.....	3,000.00	1,360.28
April 11, 1961	Workmen's Compensation Board—Awards and Costs.....	1,500.00	1,350.95
April 11, 1961	Automobile Insurance.....	2,000.00	1,471.79
	Agricultural and Horticultural Societies Branch:		
Mar. 8, 1961	Grants under The Community Centres Act.....	50,000.00	49,923.00
	Dairy Branch:		
Feb. 15, 1961	Educational, Extension, Marketing and Research Work, etc.....	5,000.00	4,612.50
	Extension Branch:		
April 11, 1961	Promotion of Junior Farmer Work.....	7,000.00	3,715.18
	Field Crops Branch:		
Mar. 8, 1961	Administration of The Weed Control Act, The Seed Potatoes Act, Improvement Work, etc ...	1,500.00	1,499.64
	Live Stock Branch:		
April 11, 1961	Education and Demonstration Work, etc.....	10,000.00	9,180.15
Dec. 27, 1960	Northern Ontario: District Veterinary Services and Assistance on Live Stock shipped to Northern Ontario.....	5,000.00	1,535.16
	Markets Branch:		
Feb. 15, 1961	Travelling Expenses:		
April 11, 1961	Order..... \$ 1,200.00		
	Order..... 2,500.00		
		3,700.00	3,599.29
	Research, Services and Expenses re The Farm Products Marketing Act:		
Dec. 7, 1960	Order..... \$ 9,600.00		
Feb. 15, 1961	Order..... 15,500.00		
		25,100.00	25,084.64
April 11, 1961	Administration and Enforcement of The Plant Diseases Act and The Farm Products Grades and Sales Act, etc.....	3,000.00	2,824.15
	Horticultural Experiment Station, Vineland:		
	Salaries:		
Aug. 4, 1960	Order..... \$ 8,000.00		
April 11, 1961	Order..... 3,500.00		
		11,500.00	11,358.01
	Travelling and Other Expenses:		
Aug. 4, 1960	Order..... \$13,000.00		
Mar. 8, 1961	Order..... 5,100.00		
		18,100.00	17,885.28

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Agriculture—Continued				
	Ontario Agricultural College, Guelph:				
	Salaries:				
Feb. 15, 1961	Order.....	\$134,000.00			
April 18, 1961	Order.....	26,000.00			
		160,000.00		159,519.71	
	Macdonald Institute, Guelph:				
Dec. 27, 1960	Expenses.....	5,500.00		5,081.57	
	Ontario Veterinary College, Guelph:				
	Salaries:				
Feb. 15, 1961	Order.....	\$34,000.00			
Mar. 8, 1961	Order.....	11,000.00			
		45,000.00		39,017.35	
		363,400.00		344,416.97	
	Department of Attorney General				
	Main Office:				
	Crown Counsel Prosecutions:				
Aug. 25, 1960	Order.....	\$25,000.00			
Mar. 8, 1961	Order.....	27,000.00			
		52,000.00		43,562.09	
Aug. 25, 1960	General Litigation and Legal Services.....	13,000.00		12,192.27	
Aug. 25, 1960	Commissions and Sundry Investigations.....	3,000.00		2,264.94	
Mar. 8, 1961	Workmen's Compensation Board—Awards and Costs.....	1,000.00		999.57	
	Laboratory:				
Feb. 15, 1961	Salaries.....	10,000.00		8,278.31	
	Maintenance:				
June 16, 1960	Order.....	\$ 3,300.00			
Feb. 15, 1961	Order.....	9,700.00			
		13,000.00		12,950.83	
	Inspector of Legal Offices:				
Mar. 30, 1961	County and District Offices—Maintenance.....	18,000.00		17,946.45	
	Criminal Justice Accounts:				
	Counties and Cities:				
Oct. 20, 1960	Administration of Justice.....	15,000.00		14,859.47	
	Ontario Provincial Police:				
Mar. 30, 1961	Salaries.....	60,000.00		36,129.61	
		185,000.00		149,183.54	
	Department of Commerce and Development				
	Ontario-St. Lawrence Development Commission:				
Jan. 10, 1961	Construction.....	50,000.00		49,948.01	
Mar. 15, 1961	Land Acquisition.....	7,000.00		6,500.00	
	Trade and Industry Branch:				
April 11, 1961	Travelling Expenses.....	2,300.00		2,004.23	
		59,300.00		58,452.24	
	Department of Economics				
Dec. 27, 1960	Fees and Expenses for Special Studies and Research	20,000.00		17,813.47	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Education		
	Main Office and General Departmental Expenses:		
	Main Office:		
Dec. 27, 1960	Maintenance.....	5,000.00	4,897.12
	General Departmental Expenses:		
Dec. 13, 1960	Moving Expenses of Departmental Officials....	10,000.00	4,840.19
Dec. 1, 1960	Unemployment Insurance Stamps.....	1,500.00	703.50
April 11, 1961	Unforeseen and Unprovided.....	12,000.00	4,757.50
	Workmen's Compensation Board—Awards and Costs:		
Nov. 15, 1960	Order.....\$ 5,000.00		
April 11, 1961	Order.....1,000.00		
		6,000.00	5,672.06
	Secondary Education Branch:		
	Technical Institutes:		
April 11, 1961	Maintenance.....	10,000.00	3,586.29
	Professional Development Branch:		
Jan. 25, 1961	Salaries.....	5,000.00	4,995.57
	Curriculum and Text Books Branch:		
April 11, 1961	Maintenance.....	500.00	222.10
	Other Educational Services:		
	Community Programmes:		
Dec. 7, 1960	Training in Citizenship for Adults—Services, Expenses, etc.....	25,000.00	24,999.18
	Provincial Library Service:		
April 11, 1961	Maintenance.....	4,000.00	3,895.49
	Legislative Library:		
April 11, 1961	Maintenance.....	1,000.00	909.73
	Dominion-Provincial Agreements:		
April 11, 1961	Services, Expenses, etc.....	20,000.00	18,598.64
Mar. 30, 1961	Miscellaneous Grants.....	15,000.00	11,100.00
	Grants to Provincial and Other Universities, etc.:		
Mar. 8, 1961	University of Toronto, including certain affiliated Institutions.....	500,000.00	500,000.00
Dec. 27, 1960	Ontario College of Education.....	55,000.00	55,000.00
		670,000.00	644,177.37
	Department of Energy Resources		
	Main Office:		
	Maintenance:		
Feb. 1, 1961	Order.....\$8,000.00		
April 18, 1961	Order.....2,000.00		
		10,000.00	9,015.92
April 18, 1961	Special Investigations and Reports.....	6,000.00	4,014.36
	Ontario Energy Board:		
	Maintenance:		
Feb. 1, 1961	Order.....\$28,000.00		
April 18, 1961	Order.....15,000.00		
		43,000.00	42,802.47
		59,000.00	55,832.75

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Health		
July 14, 1960	Main Office:		
	Medical and Other Research:		
	Services and Expenses.....	35,000.00	8,776.58
Mar. 22, 1961	Health Service for Ontario Civil Service.....	2,500.00	2,498.81
	Grants:		
	Alcoholism Research Foundation:		
July 14, 1960	Order.....	\$90,600.00	
Mar. 22, 1961	Order.....	35,100.00	
		125,700.00	125,700.00
Mar. 22, 1961	Venereal Diseases Control Branch:		
	Maintenance, including Treatment of Patients, etc.....	1,000.00	853.64
Mar. 22, 1961	Mental Health Branch:		
	General Expenses:		
	Payment to the Hospital Services Commission of Ontario, in reimbursement for expenditures relating to Mental Care.....	245,326.25	245,326.25
Mar. 22, 1961	Ontario Hospitals:		
	Salaries.....	410,000.00	173,322.49
		819,526.25	556,477.77
	Department of Highways		
April 18, 1961	Maintenance—King's Highways and Other Roads:		
	Municipal Subsidies (The Highway Improvement Act, R.S.O. 1960, Chapter 171, Sections 51, 55, 59, 60, 61, 67, 75, 79, 80, 83, The Municipality of Metropolitan Toronto Act, Section 78 and The Municipal Subsidies Adjustment Act, Section 1)	1,700,000.00	1,511,276.55
	Department of Insurance		
Nov. 25, 1960	Travelling Expenses.....	5,000.00	2,155.22
Nov. 25, 1960	Maintenance.....	16,000.00	14,457.79
		21,000.00	16,613.01
	Department of Labour		
Feb. 22, 1961	Main Office:		
	Advertising, Investigations, etc.....	5,000.00	3,039.23
Nov. 3, 1960	Ontario Anti-Discrimination Commission, Expenses, etc.....	8,000.00	7,979.80
Dec. 27, 1960	Apprenticeship Branch:		
	Examiners' Fees.....	3,000.00	2,652.00
Feb. 22, 1961	Maintenance:		
	Order.....	\$ 6,000.00	
April 11, 1961	Order.....	3,000.00	
		9,000.00	4,648.22
Feb. 22, 1961	Apprenticeship Training (Special Classes).....	80,000.00	61,479.82

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Labour—Continued		
Feb. 22, 1961	Boiler Inspection Branch: Travelling Expenses.....	3,000.00	1,192.13
Feb. 22, 1961	Minimum Wage Branch: Maintenance.....	1,000.00	23.54
Feb. 22, 1961	Labour Relations Board: Salaries.....	9,000.00	7,390.05
Feb. 22, 1961	Per Diem Allowances (Board Members).....	5,000.00	2,425.00
Feb. 22, 1961	Maintenance: Order..... \$ 5,000.00		
April 11, 1961	Order..... 13,000.00	18,000.00	15,098.84
Feb. 22, 1961	Office of Athletics Commissioner: Travelling Expenses.....	500.00	113.14
Nov. 3, 1960	Assistance to Amateur Sport.....	15,000.00	11,115.10
		156,500.00	117,156.87
	Department of Lands and Forests		
June 9, 1960	Main Office: Damage and Other Claims, Sundry Contingencies, Awards, etc.....	13,700.00	12,126.51
Nov. 15, 1960	Field Services: Parks Improvements: Acquisition of Land, Construction of Buildings, etc.....	700,000.00	291,541.85
		713,700.00	303,668.36
	Department of Mines		
Sept. 29, 1960	Main Office: Fees, Salaries and Expenses—Legal, Professional and Miscellaneous Services.....	16,000.00	14,456.05
	Department of Municipal Affairs		
Dec. 13, 1960	Community Planning Branch: Special Grant to Community Planning Association of Canada.....	2,000.00	2,000.00
Mar. 8, 1961	Ontario Water Resources Commission: Travelling Expenses.....	18,000.00	12,347.55
Mar. 8, 1961	Maintenance.....	26,000.00	25,999.79
		46,000.00	40,347.34
	Department of Prime Minister		
Mar. 8, 1961	Main Office: Travelling Expenses.....	2,000.00	1,992.03

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
Department of Provincial Secretary and Citizenship					
Main Office:					
Nov. 8, 1960	Workmen's Compensation Board—Awards and Costs	100.00		93.60	
Government Hospitality Fund:					
Feb. 8, 1961	Order	\$15,000.00			
April 11, 1961	Order	11,000.00			
		26,000.00		23,305.20	
Queen's Printer:					
Mar. 15, 1961	Ontario Gazette	10,000.00		9,938.10	
Sessional Requirements:					
Feb. 22, 1961	Clerks of Committees, Sergeant-at-Arms, Messengers, Pages, Sessional Writers, etc.	25,000.00		22,392.00	
Feb. 22, 1961	Indemnities and Allowances to Members, including Mileage	170,000.00		161,115.01	
Feb. 22, 1961	Stationery, including Printing Paper, etc.	25,000.00		23,215.81	
Feb. 22, 1961	Maintenance	2,000.00		1,696.94	
Feb. 22, 1961	Hansard—Reporting, Printing, etc.	35,000.00		34,972.57	
Committee Fees, etc.:					
May 26, 1960	Order	\$50,000.00			
Nov. 8, 1960	Order	25,000.00			
Dec. 27, 1960	Order	25,000.00			
		100,000.00		83,967.76	
		393,100.00		360,696.99	
Department of Public Welfare					
General Welfare Assistance Branch:					
Nov. 15, 1960	Travelling Expenses	2,000.00		1,812.00	
Jan. 10, 1961	Transportation of Indigents, etc.	2,000.00		1,983.58	
Mar. 22, 1961	General Welfare Assistance	2,344,000.00		1,963,733.08	
Homemakers and Nurses Services:					
Feb. 15, 1961	Salaries	250.00		250.00	
Welfare Allowances Branch:					
Mar. 8, 1961	Allowances in accordance with The Mothers' and Dependent Children's Allowances Act	812,000.00		777,725.39	
Mar. 8, 1961	Allowances in accordance with The Disabled Persons' Allowances Act	257,000.00		239,787.02	
Feb. 15, 1961	Rehabilitation Services:				
	Rehabilitation Services, Allowances, etc.	30,000.00		25,014.93	
		3,447,250.00		3,010,306.00	
Department of Public Works					
Ontario Government Buildings:					
April 18, 1961	Communication Services	70,000.00		60,994.85	
Mar. 8, 1961	Repairs, Alterations and Incidentals	235,000.00		223,375.58	
Aid to Drainage:					
Feb. 1, 1961	Grants in Aid of Drainage Work	100,000.00		99,998.97	
		405,000.00		384,369.40	

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Reform Institutions				
	Main Office:				
	Workmen's Compensation Board—Awards and Costs:				
Jan. 10, 1961	Order.....	\$12,000.00			
Mar. 8, 1961	Order.....	5,000.00			
		17,000.00		11,669.40	
	Board of Parole:				
Mar. 8, 1961	Salaries.....	4,000.00		3,164.02	
Mar. 8, 1961	Travelling Expenses.....	1,000.00		883.68	
		22,000.00		15,717.10	
	Department of Transport				
	Ontario Highway Transport Board:				
Oct. 11, 1960	Maintenance.....	4,000.00		2,573.90	
	Motor Vehicles Administration:				
Mar. 8, 1961	Maintenance.....	31,000.00		26,174.91	
Mar. 8, 1961	Fees, etc.....	10,000.00		9,839.63	
		45,000.00		38,588.44	
	Department of Travel and Publicity				
	Division of Publicity:				
Feb. 22, 1961	Advertising.....	6,800.00		6,738.86	
	Treasury Department				
	Main Office:				
April 6, 1961	Travelling Expenses.....	300.00		172.14	
July 21, 1960	Services and Other Expenses for Special Studies, etc.....	25,000.00		23,445.76	
	Miscellaneous Grants:				
Feb. 8, 1961	Order.....	\$5,500.00			
Feb. 15, 1961	Order.....	9,000.00			
		14,500.00		14,144.68	
	Ontario Racing Commission:				
April 25, 1961	Salaries.....	1,700.00		1,231.35	
April 18, 1961	Travelling Expenses.....	300.00		57.29	
April 18, 1961	Maintenance.....	1,000.00		945.65	
	Housing Mortgage Branch:				
Feb. 1, 1961	Maintenance.....	600.00		511.50	
	Civil Service Commission:				
	Maintenance:				
July 14, 1960	Order.....	\$65,000.00			
Nov. 8, 1960	Order.....	90,000.00			
		155,000.00		153,956.94	
		198,400.00		194,465.31	
	Total Ordinary Treasury Board Orders	9,348,976.25		7,842,746.42	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	CAPITAL		
	Department of Highways		
April 18, 1961	Construction and Other Capital Projects: Municipal Subsidies (The Highway Improvement Act, R.S.O. 1960, Chap. 171, Sections 51, 55, 59, 60, 61, 67, 75, 79, 80, 83, The Municipality of Metropolitan Toronto Act, Section 78 and The Municipal Subsidies Adjustment Act, Section 1)	5,000,000.00	4,433,041.25
	Department of Labour		
April 11, 1961	Industry and Labour Board: Payment of Claims re Vacation-with-Pay Stamps	200,000.00	31,808.23
	Department of Mines		
April 6, 1961	Main Office: Construction of Mining and Access Roads.	100,500.00	100,308.73
	Department of Municipal Affairs		
Sept. 29, 1960	Main Office: Special Projects: Advances to and Purchase of Debentures of Improvement Districts.	520,000.00	20,000.00
	Department of Public Welfare		
Mar. 8, 1961	Welfare Allowances Branch: Allowances in accordance with The Disabled Persons' Allowances Act.	293,000.00	270,385.39
Feb. 15, 1961	Rehabilitation Services: Rehabilitation Services, Allowances, etc.	30,000.00	24,774.93
		323,000.00	295,160.32
	Total Capital Treasury Board Orders	6,143,500.00	4,880,318.53
	Total Treasury Board Orders	15,492,476.25	12,723,064.95

SPECIAL WARRANTS

STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR ENDED MARCH 31, 1961

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Agriculture		
June 9, 1960	Payments to Counties within Ontario and the Provisional County of Haliburton (80 per cent of the amount paid by the County) and to Owners in the Territorial Districts (100 per cent of the valuation) for losses suffered by reason of Rabies since the 1st day of April, 1958.....	30,000.00	7,419.88
	Department of Attorney General		
Nov. 9, 1960	Services and travelling expenses for members of the Attorney General's Department, Mr. C. R. Magone, Professor Alex Brady and others to attend conferences between Attorneys General of Canada and its Provinces on constitutional matters.....	5,000.00	4,737.46
	Department of Education		
	Grant to Laurentian University of Sudbury to assist in meeting the cost of establishing the said University:		
May 19, 1960	Warrant.....		
Nov. 17, 1960	Warrant.....	125,000.00	125,000.00
	Grant to York University to assist in meeting the cost of construction of accommodation for the said University:		
Nov. 9, 1960	Warrant.....		
Nov. 17, 1960	Warrant.....	550,000.00	550,000.00
		675,000.00	675,000.00
	Department of Energy Resources		
Nov. 17, 1960	Payment of expenses of the Royal Commission to enquire into the purchase and acquisition by The Hydro-Electric Power Commission of Ontario of certain lands within the Sarnia Indian Reserve No. 45, under The Public Inquiries Act.....	35,000.00	26,098.95
	Department of Health		
July 14, 1960	Institute of Physical Medicine and Rehabilitation of Hamilton Incorporated, Hamilton, Ontario, and the Rehabilitation Institute of Ottawa, Ottawa, Ontario, for the purpose of providing assistance in connection with certain expenditures of the rehabilitation programme of these two centres.....	60,000.00	25,912.14

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Labour		
June 23, 1960	Fees and expenses of the Royal Commission appointed to report on safety legislation and regulations.....	25,000.00	7,742.85
	Office of Lieutenant Governor		
June 9, 1960	Expenses re visit to the Province of the President of France and Madame de Gaulle.....	7,632.35	7,632.35
	Department of Mines		
Sept. 29, 1960	Payment to Gull Lake Iron Mines Limited for the purpose of providing equitable settlement of a claim against the Crown arising out of an error which occurred in the office of the Mining Recorder at Haileybury.....	500.00	500.00
Nov. 9, 1960	Payment to J. S. Crosscombe for the purpose of providing equitable settlement of a claim against the Crown arising out of an error which occurred in the draughting office of the Mining Lands Branch in Toronto.....	813.50	813.50
		1,313.50	1,313.50
	Department of Prime Minister		
Nov. 17, 1960	Canteen Supplies for Her Majesty's Forces stationed in Ontario and Overseas.....	14,000.00	13,472.36
	Department of Public Welfare		
June 9, 1960	Payment of services and expenses of Magistrate W. R. Philp incurred for the purpose of hearing on issue of neglect, under The Child Welfare Act, 1954 re Whytehaven.....	1,126.50	1,126.50
June 23, 1960	Salvation Army for the purpose of assisting in the construction of a new building at the corner of Jarvis and Shuter Streets in the City of Toronto, known as "Harbour Light Centre" for the treatment and rehabilitation of Alcoholics.....	200,000.00	200,000.00
Sept. 29, 1960	Toronto Western Hospital to assist with the costs of constructing and establishing a Geriatric Ward, as a pilot project to specialize in the treatment of acutely ill, medical and surgical geriatric patients.....	152,000.00	152,000.00
		353,126.50	353,126.50
	Department of Reform Institutions		
Nov. 17, 1960	Grant to the St. Mary's Training School for Girls, Downsview, Ontario for assisting in the construction to the school, of new educational and administrative additions.....	150,000.00	150,000.00
	Total Special Warrants.....	1,356,072.35	1,272,455.99



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PROVINCIAL AUDITOR'S *Office* REPORT

1961/62

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



ONTARIO



TORONTO

PRINTED AND PUBLISHED BY FRANK FOGG, QUEEN'S PRINTER

1962

PROVINCIAL AUDITOR'S REPORT

1961-62

PROVINCE OF ONTARIO

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO
SESSIONAL PAPER No. 3, 1963



ONTARIO

TORONTO
PRINTED AND PUBLISHED BY FRANK FOGG, QUEEN'S PRINTER
1962

TO THE HONOURABLE JOHN KEILLER MACKAY, D.S.O., V.D., D.C.L.,
LL.D.,

Lieutenant Governor of the Province of Ontario

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present to Your Honour the following report for the fiscal year ended March 31st, 1962, in accordance with the requirements of The Audit Act.

Respectfully submitted,

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Provincial Auditor's Office,
Toronto, November 22, 1962.

REPORT OF THE PROVINCIAL AUDITOR TO THE
LEGISLATIVE ASSEMBLY OF ONTARIO FOR THE
FISCAL YEAR ENDED MARCH 31st, 1962, IN
ACCORDANCE WITH THE REQUIREMENTS OF
THE AUDIT ACT.

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REPORT OF THE PROVINCIAL AUDITOR

1961 - 1962

I have the honour to report to the Legislative Assembly on the examination and audit of the accounts of the Province of Ontario for the fiscal year ended March 31, 1962, in accordance with the requirements of The Audit Act.

I have examined the balance sheet of the Province of Ontario as at March 31, 1962, the Statements of Revenue and Expenditure for the year ended on that date and other related statements, and have compared them with the books of account and financial records. I have obtained all the information and explanations I have required.

Subject to the qualifications in this report, in my opinion and according to the best of my information and the explanations given to me and as shown by the books of the Province, the Balance Sheet, Statements of Revenue and Expenditure and the other related statements are properly drawn up in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year so as to present fairly the financial position of the Province as at March 31st, 1962, and the results of its operations for the year then ended.

BASIS OF ACCOUNTING

It is generally agreed that there are two accepted bases or systems of accounting. In the "cash" basis, revenue is taken into account in the period in which it is received, and expenditures are accounted for when the actual payments are made. In the "accrual" basis, revenues are accounted for when earned or due, even though not collected, and expenditures are accounted for when the liabilities are incurred whether payment is made in the accounting period or not.

Government accounting systems are generally based on a cash basis of reporting since departmental expenditures are regulated by the Estimates submitted to and approved by the Legislature. This means that entries for expenditure are made in the records only as payments are made. Accrual items are not taken into account in the manner followed by industry.

The accounts of the Province of Ontario have been kept on a cash basis as in previous years because this system of accounting has great advantages from the parliamentary point of view by providing a clear basis for departmental accountability in the expenditure of public funds. However, modifications have been made to facilitate the maintenance of accounting control over certain assets and liabilities and to provide for valuation adjustments for certain assets in anticipation of possible losses on ultimate realization. The Balance Sheet has been prepared so as to present the financial position of the Province at March 31, 1962 on a modified accrual basis with the required accounting adjustments being made through Surplus Account.

OPERATIONS FOR 1961-62

The Honourable James N. Allan, as Treasurer of Ontario, in his address to the Legislative Assembly of Ontario on March 9, 1961, presented budget forecasts of ordinary revenue and expenditure and of capital receipts and disbursements for the fiscal year ended March 31, 1962, and in his address to the Legislative Assembly of Ontario on March 1, 1962, presented interim statements of ordinary revenue and expenditure and of capital receipts and disbursements for the same fiscal year, consisting of nine months' actual results and three months' forecast.

The statements which follow compare the budget forecasts with the actual results for the fiscal year ended March 31, 1962. Comparative summaries of the interim statements (nine months' actual and three months' forecast) and the actual results are appended to this report together with certain other statements and charts presenting information on the financial operations of the Province as detailed on page 35 of this report.

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY REVENUE
FOR THE FISCAL YEAR APRIL 1, 1961, TO MARCH 31, 1962**

DEPARTMENT	BUDGET ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 1,955,000	\$ 1,614,701	\$	\$ 340,299
Attorney General.....	6,529,000	8,592,026	2,063,026	
Economics and Development.....	455,000	673,374	218,374	
Education.....	2,436,000	2,725,287	289,287	
Energy Resources.....	275,000	407,709	132,709	
Health.....	1,682,000	1,498,200		183,800
Highways.....	1,348,000	1,541,703	193,703	
Insurance.....	623,000	752,541	129,541	
Labour.....	1,035,000	1,140,016	105,016	
Lands and Forests.....	20,200,000	21,361,245	1,161,245	
Mines.....	16,627,000	16,716,507	89,507	
Municipal Affairs.....	348,000	311,144		36,856
Prime Minister.....		45	45	
Provincial Secretary and Citizenship	2,336,000	2,419,127	83,127	
Public Welfare.....		9,399	9,399	
Public Works.....	998,000	978,070		19,930
Reform Institutions.....	685,000	750,412	65,412	
Transport.....	72,000,000	70,304,855		1,695,145
Travel and Publicity.....	294,000	293,525		475
Treasury:				
Main Office—Subsidy.....	3,641,000	4,624,070	983,070	
Interest.....	71,000	71,136	136	
Miscellaneous.....		16,458	16,458	
Ontario Racing Commission....	120,000	147,766	27,766	
The Liquor Control Board of Ontario—				
Profits, etc.....	81,000,000	82,500,000	1,500,000	
Transfer Fees.....	100,000			100,000
Public Utilities Tax.....	1,000,000	651,465		348,535
Water Power Rentals.....	6,000,000	5,697,312		302,688
Comptroller of Revenue—				
Income Tax Rental Agreement	120,000,000	120,651,639	651,639	
Corporations Tax.....	192,000,000	165,854,287		26,145,713
Succession Duty.....	35,000,000	40,397,222	5,397,222	
Retail Sales Tax.....	60,000,000	78,746,682	18,746,682	
Gasoline Tax.....	159,000,000	165,193,317	6,193,317	
Motor Vehicle Fuel Tax.....	7,300,000	7,603,060	303,060	
Hospitals Tax.....	4,000,000	4,379,848	379,848	
Race Tracks Tax.....	5,500,000	6,157,175	657,175	
Security Transfer Tax.....	2,000,000	3,534,875	1,534,875	
Land Transfer Tax.....	3,500,000	3,709,969	209,969	
Law Stamps.....	1,800,000	1,221,213		578,787
Logging Tax.....	2,000,000	2,094,386	94,386	
Miscellaneous.....		1,318	1,318	
Total for Treasury.....	<u>\$684,032,000</u>	<u>\$693,253,198</u>	<u>\$36,696,921</u>	<u>\$27,475,723</u>
Stationery Account.....		8,925	8,925	
	<u>\$813,858,000</u>	<u>\$825,352,009</u>	<u>\$41,246,237</u>	<u>\$29,752,228</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1961, TO MARCH 31, 1962**

DEPARTMENT	BUDGET ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture.....	\$ 16,700,000	\$ 16,280,048	\$	\$ 419,952
Attorney General.....	22,029,000	22,482,573	453,573	
Economics and Development.....	3,899,000	4,157,185	258,185	
Education.....	278,924,000	261,723,044		17,200,956
Energy Resources.....	622,000	665,357	43,357	
Health.....	133,693,000	130,316,189		3,376,811
Highways.....	77,500,000	73,665,402		3,834,598
Insurance.....	449,000	434,001		14,999
Labour.....	3,558,000	3,251,779		306,221
Lands and Forests.....	25,990,000	26,606,121	616,121	
Lieutenant Governor.....	21,000	20,215		785
Mines.....	1,860,000	1,778,421		81,579
Municipal Affairs.....	45,485,000	39,530,432		5,954,568
Prime Minister.....	178,000	164,116		13,884
Provincial Auditor.....	470,000	461,860		8,140
Provincial Secretary and Citizenship	3,590,000	3,704,462	114,462	
Public Welfare.....	50,997,000	54,447,146	3,450,146	
Public Works.....	11,381,000	11,221,089		159,911
Reform Institutions.....	14,424,000	14,119,596		304,404
Transport.....	5,175,000	5,189,141	14,141	
Travel and Publicity.....	2,106,000	2,107,153	1,153	
Treasury.....	15,308,000	16,408,630	1,100,630	
	<u>\$714,359,000</u>	<u>\$688,733,960</u>	<u>\$ 6,051,768</u>	<u>\$31,676,808</u>
Public Debt:				
Interest, etc.....	52,518,000	50,313,662		2,204,338
Provision for Sinking Fund.....	20,000,000	35,802,000	15,802,000	
Total Budget.....	<u>\$786,877,000</u>	<u>\$774,849,622</u>	<u>\$21,853,768</u>	<u>\$33,881,146</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	40,000,000	50,000,000	10,000,000	
	<u>\$826,877,000</u>	<u>\$824,849,622</u>	<u>\$31,853,768</u>	<u>\$33,881,146</u>

**COMPARATIVE SUMMARY
BUDGET AND ACTUAL ORDINARY REVENUE AND ORDINARY EXPENDITURE
FOR THE FISCAL YEAR APRIL 1, 1961, TO MARCH 31, 1962**

	BUDGET	ACTUAL	ACTUAL TO BUDGET
Net Ordinary Revenue.....	\$813,858,000	\$825,352,009	\$11,494,009
Less: Net Ordinary Expenditure (before items below).....	\$766,877,000	\$739,047,622	\$27,829,378
Provision for Sinking Fund.....	20,000,000	35,802,000	15,802,000
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	40,000,000	50,000,000	10,000,000
Net Ordinary Expenditure.....	<u>\$826,877,000</u>	<u>\$824,849,622</u>	<u>\$ 2,027,378</u>
Surplus.....	<u>\$ 13,019,000</u>	<u>\$ 502,387</u>	<u>\$13,521,387</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL RECEIPTS
FOR THE FISCAL YEAR APRIL 1, 1961, TO MARCH 31, 1962**

DEPARTMENT	BUDGET CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Economics and Development:				
Loans and Advances—				
The Housing Development Act . . .	\$ 1,162,000	\$ 1,505,665	\$ 343,665	\$
Ontario-St. Lawrence Development				
Commission—Sale of Land		2,000	2,000	
Education:				
Provincial Student-Aid Loans	200,000	331,922	131,922	
Highways:				
Sale of Land and Buildings, etc . .	700,000	613,755		86,245
Contract Security Deposits		10,000	10,000	
Labour:				
Vacation-with-Pay Stamps	11,000,000	9,051,248		1,948,752
Contract Security Deposits		800	800	
Lands and Forests:				
Sale of Land	700,000	644,159		55,841
Contract Security Deposits		700	700	
Mines:				
Sale of Mining Lands	50,000	40,682		9,318
Public Welfare:				
Old Age Assistance, etc.		22,204	22,204	
Public Works:				
Sale of Land and Buildings, etc. . . .		771,407	771,407	
Contract Security Deposits		17,060	17,060	
Downsview Cafeteria, in Trust . . .		6,219	6,219	
Transport:				
Unsatisfied Judgment Fund—				
Fees, etc.	4,500,000	4,347,026		152,974
Treasury:				
Appropriation from Ordinary				
Account—				
Provision for Sinking Fund	20,000,000	35,802,000	15,802,000	
Loans and Advances	4,706,000	7,631,541	2,925,541	
Special Funds—				
Public Service Superannuation				
Fund	25,370,000	26,513,160	1,143,160	
Public Service Retirement Fund	1,035,000	1,184,822	149,822	
Ontario Hospital Services Comm.				
Special Account		12,202,660	12,202,660	
Other	679,000	854,581	175,581	
Premium, Discount and Foreign				
Exchange on Debentures	1,825,000	1,739,133		85,867
Other		26,996	26,996	
	<u>\$71,927,000</u>	<u>\$103,319,740</u>	<u>\$33,731,737</u>	<u>\$2,338,997</u>

**COMPARATIVE STATEMENT OF BUDGET AND ACTUAL CAPITAL DISBURSEMENTS
FOR THE FISCAL YEAR APRIL 1, 1961, TO MARCH 31, 1962**

DEPARTMENT	BUDGET CAPITAL DISBURSE- MENTS	NET ACTUAL CAPITAL DISBURSE- MENTS	ACTUAL TO BUDGET	
			INCREASE	DECREASE
Agriculture:				
The Co-operative Loans Act—Loans.....	\$ 450,000	\$ 538,300	\$ 88,300	\$
Economics and Development:				
The Housing Development Act.....	5,830,000	1,814,119		4,015,881
Education:				
Provincial Student-Aid Loans.....	3,000,000	1,866,460		1,133,540
Energy Resources:				
Assistance for Rural Power Transmission Lines.....	1,500,000	543,984		956,016
Highways:				
Highway Construction.....	134,105,000	115,620,929		18,484,071
Development and Other Roads.....	8,800,000	8,190,907		609,093
Municipal Subsidies.....	47,500,000	45,749,407		1,750,593
Contingencies.....	35,000	11,555		23,445
Labour:				
Vacation-with-Pay Stamps.....	11,000,000	9,923,525		1,076,475
Lands and Forests:				
Logging Roads.....	200,000			200,000
Conservation Authorities—Grants.....	4,432,000	1,413,974		3,018,026
Mines:				
Mining and Access Roads.....	1,550,000	1,761,954	211,954	
Municipal Affairs:				
Townsites—Investigation, Design, etc.....	250,000	6,554		243,446
Improvement Districts—Advances to and Purchase of Debentures.....	750,000	110,000		640,000
Loans to The Improvement District of Elliot Lake.....	1,132,000	480,000		652,000
Ontario Water Resources Commission— Plant and Equipment.....	35,000,000	11,418,109		23,581,891
Public Welfare:				
Old Age Assistance, etc.....		9,589	9,589	
Public Works:				
Purchase of Property and Construction of Buildings.....	43,000,000	28,400,415		14,599,585
Dams, Docks and Locks.....	975,000	929,780		45,220
Transport:				
Unsatisfied Judgment Fund—Judgments, etc.	3,000,000	3,137,969	137,969	
Treasury:				
Registry Office Surplus Fees.....	400,000	411,552	11,552	
Guaranteed Debentures— S.W. & A. Rly. Company—Interest.....	27,000	27,263	263	
Tile Drainage Debentures.....	900,000	1,339,642	439,642	
The Ontario Municipal Improvement Cor- poration—Advances.....		400,000	400,000	
Government of Canada Repayment under Tax Rental Agreement 1952-56.....		1,737,060	1,737,060	
Refunds of Capital Receipts, prior years....	150,000	692,219	542,219	
Municipal Sinking Funds.....	87,000	105,958	18,958	
Public Service Superannuation Fund.....	6,525,000	6,751,441	226,441	
Public Service Retirement Fund.....	1,000,000	897,411		102,589
The Sault Ste. Marie Bridge Act, 1960.....	300,000	300,010	10	
Queen Elizabeth II Ontario Scholarship Fund Other.....	25,000	23,439		1,561
		48,667	48,667	
Less: Financed out of Ordinary Revenue.....	\$311,923,000 40,000,000	\$244,662,192 50,000,000	\$ 3,872,624 10,000,000	\$71,133,432
	<u>\$271,923,000</u>	<u>\$194,662,192</u>	<u>\$ 6,127,376</u>	<u>\$71,133,432</u>

Estimated gross expenditure for the year, shown on page 5 of the 1962 Estimates, was \$1,134,537,000. This amount does not include Supplementary Estimates of \$7,000,000 voted by the Legislature at the spring session in 1961 and Further Supplementary Estimates of \$13,973,000 voted by the Legislature at the spring session in 1962. Taking the Supplementary and Further Supplementary Estimates into account the total estimates for the year amounted to \$1,155,510,000. The actual gross expenditure was \$1,071,011,816 a net decrease of \$84,498,184.

In the Budget Statement presented by the Treasurer of Ontario on March 9, 1961, as shown in the Budget Forecast of Ordinary Expenditure on page 44, it was estimated that \$40,000,000 of Capital Disbursements would be financed out of Ordinary Revenue. The actual net revenue of the Province for the fiscal year ended March 31, 1962, permitted \$50,000,000 to be applied to this purpose, an increase of \$10,000,000 from the forecast amount of \$40,000,000.

The following analysis summarizes the decrease in gross actual expenditure from total estimated gross expenditure:

**ANALYSIS OF GROSS EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1962**

CLASSIFICATION	TOTAL ESTIMATES	GROSS ACTUAL	GROSS ACTUAL OVER ESTIMATES	GROSS ACTUAL UNDER ESTIMATES
Ordinary—				
Voted—				
Main Estimates.....	\$ 686,602,500			
Supplementary.....	7,000,000			
Further Supplementary...	13,973,000			
	<u>\$ 707,575,500</u>	\$ 675,400,249		\$ 32,175,251
Statutory.....	123,539,500	136,932,861	\$13,393,361	
Special Warrants.....		1,411,125	1,411,125	
Capital Disbursements financed out of Ordinary Revenue..	40,000,000	50,000,000	10,000,000	
	<u>\$ 871,115,000</u>	<u>\$ 863,744,235</u>	<u>\$24,804,486</u>	<u>\$ 32,175,251</u>
Capital—				
Voted—				
Main Estimates.....	\$ 310,481,000	\$ 240,850,966		\$ 69,630,034
Statutory.....	13,914,000	16,416,615	\$ 2,502,615	
	<u>\$ 324,395,000</u>	<u>\$ 257,267,581</u>	<u>\$ 2,502,615</u>	<u>\$ 69,630,034</u>
Deduct—				
Capital Disbursements financed out of Ordinary Revenue.....	40,000,000	50,000,000	10,000,000	
	<u>\$ 284,395,000</u>	<u>\$ 207,267,581</u>	<u>\$ 7,497,385</u>	<u>\$ 69,630,034</u>
	<u><u>\$1,155,510,000</u></u>	<u><u>\$1,071,011,816</u></u>	<u><u>\$17,307,101</u></u>	<u><u>\$101,805,285</u></u>

**Summary of Net Increases or Decreases in Gross Actual as compared
with Total Estimates of Gross Expenditure**

CLASSIFICATION	INCREASE	DECREASE
Voted.....		\$101,805,285
Statutory.....	\$15,895,976	
Special Warrants.....	1,411,125	
	<u>\$17,307,101</u>	<u>\$101,805,285</u>

The net increases or decreases in gross actual as compared with total estimates of gross expenditure under the classification of voted, statutory and special warrants are commented on as follows:

VOTED

For the year under review the Legislative Assembly authorized expenditure appropriations in the amount of \$1,018,056,500 comprising \$707,575,500 ordinary account and \$310,481,000 capital account. Actual gross expenditure charged to appropriations amounted to \$916,251,215, comprised of \$675,400,249 charged to ordinary account and \$240,850,966 charged to capital account. Thus the gross expenditure charged to appropriations authorized was \$101,805,285 less than the amount authorized. The principal under-expenditures in this amount relate to construction of plant and equipment of the Ontario Water Resources Commission \$23,581,891, construction and maintenance of King's Highways and Secondary Highways and Development Roads \$20,315,300, construction of public buildings \$14,599,585, general legislative grants to School Boards \$9,855,047, Municipal Winter Works Incentive Program \$6,050,806, assistance to School Boards to provide and equip new vocational units \$5,323,595, expenditure under The Housing Development Act \$4,015,881, municipal subsidies for highways \$3,457,848, and grants to conservation authorities \$3,018,026.

In all cases where the actual expenditure exceeded the original appropriation, the necessary authority was obtained by treasury board order before the accounts were approved for payment. The total treasury board orders authorized amounted to \$12,841,314, consisting of \$12,150,014 ordinary account and \$691,300 capital account with actual expenditures relative thereto amounting to \$11,092,812, of which \$10,573,093 applied to ordinary account and \$519,719 to capital account. These expenditures form part of the total gross expenditure of \$916,251,215 referred to above and are not in addition thereto.

Full details of treasury board orders issued and the amounts expended under this authority will be found on pages 56-64 of this report.

It will be noted, from the amounts shown in the Analysis of Gross Expenditure, that total Gross Actual Voted Expenditure, which includes amounts spent under authority of treasury board orders, is less than the total of the related gross estimates. The same situation exists with respect to Net Expenditure, and the details for the last ten years are shown in graphic form on pages 42-43 of this report.

STATUTORY

The Estimates for the year 1961-62 forecast \$137,453,500 gross expenditure under statutory authority. Of this amount \$123,539,500 was for ordinary account and \$13,914,000 for capital account. Actual gross statutory expenditure amounted to \$153,349,476 consisting of \$136,932,861 ordinary expenditure and \$16,416,615, capital expenditure excluding public debt expenditure. The actual total gross statutory outlay was greater than the estimates by \$15,895,976. The principal item of actual expenditure in excess of the amounts estimated was an additional Provision for Sinking Fund of \$15,802,000.

SPECIAL WARRANTS

During the year, expenditures in the amount of \$1,411,125 were made under Special Warrants by authority of subsection 1, section 29, of The Financial Administration Act.

Full details of the expenditures made under Special Warrants will be found on pages 65-66 of this report.

**PRINCIPAL ITEMS OF NET ORDINARY REVENUE AND EXPENDITURE
FOR THE FISCAL YEAR ENDED MARCH 31, 1962**

An analysis of net ordinary revenue and expenditure for the fiscal year ended March 31, 1962, showing the percentage of each item to the total, classified by major categories, is presented in the following statement:

NET ORDINARY REVENUE

		%
Corporations Tax.....	\$165,854,287	20.10
Gasoline Tax.....	165,193,317	20.01
Income Tax Rental Agreement.....	120,651,639	14.62
Liquor Profits, Gallonage Tax, etc.....	82,500,000	10.00
Retail Sales Tax.....	78,746,682	9.54
Motor Vehicle Licenses and Fees, etc.....	70,216,106	8.51
Succession Duty.....	40,397,222	4.89
Mines Profits Tax.....	15,444,439	1.87
Timber Dues, Bonus, etc.....	13,402,507	1.62
Motor Vehicle Fuel Tax.....	7,603,060	.92
Inspector of Legal Offices—Fees, Fines, etc.....	6,449,468	.78
Race Tracks Tax.....	6,157,175	.75
Water Power Rentals.....	5,697,312	.69
Fish and Wildlife Licenses, Royalties, etc.....	5,054,516	.61
Government of Canada—Annual Subsidies.....	4,624,070	.56
Hospitals Tax.....	4,379,848	.53
Land Transfer Tax.....	3,709,969	.45
Security Transfer Tax.....	3,534,875	.43
All other revenue.....	25,735,517	3.12
	<u>\$825,352,009</u>	<u>100.00</u>

NET ORDINARY EXPENDITURE

		%
Education.....	\$261,723,044	31.73
Health Services.....	130,316,189	15.80
Public Debt—		
Interest, etc.....	\$50,313,662	
Provision for Sinking Fund.....	35,802,000	
	<u>86,115,662</u>	10.44
Highways and Roads.....	73,665,402	8.93
Public Welfare.....	54,447,146	6.60
Municipal Affairs—Grants to Municipalities.....	35,162,084	4.26
Conservation of Forests, Fish and Wildlife.....	26,606,121	3.23
Law Enforcement.....	22,482,573	2.73
Agricultural Services, Grants, etc.....	16,280,048	1.97
Reform Institutions.....	14,119,596	1.71
Public Buildings, Maintenance and Repairs, etc.....	11,221,089	1.36
All other expenditures.....	42,710,668	5.18
	<u>\$774,849,622</u>	<u>93.94</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	50,000,000	6.06
	<u>\$824,849,622</u>	<u>100.00</u>

On pages 38-41 of this report will be found a graphic presentation of several of the major items on the previous page giving comparisons for the five years ended March 31, 1962.

GENERAL

Corporations tax, gasoline tax, the income tax rental agreement with the Federal Government, liquor control revenues, retail sales tax, motor vehicle licenses and fees and succession duty provide the chief sources of ordinary revenue for the Province. Education, health services, public debt charges including provision for sinking fund, highway expenditures and welfare costs, are the major items of ordinary expenditure, excluding capital disbursements financed out of ordinary revenue. As in past years, the remaining revenue and expenditure operations continue to serve vital functions in the overall programme of the Province, and the various totals, while smaller in amount, represent important services given or received.

I refer hereunder to some of the larger items of revenue and expenditure and other matters relating to the operations for the year ended March 31, 1962.

The Income Tax Rental Agreement Act, 1957, authorized an agreement between the Government of Canada and the Government of Ontario whereby Ontario and its municipalities would refrain from levying a personal income tax in respect of the period of five years from January 1, 1957 to December 31, 1961, in consideration of an annual rental payable by Canada to Ontario during the term of the agreement. The calculation of the annual rental is based upon the governing statute and amounted to \$120,651,639 in the fiscal year ended March 31, 1962. The agreement under The Income Tax Rental Agreement Act, 1957, is now ended and a personal income tax was imposed by the Province commencing with the taxation year 1962 as defined by The Income Tax Act, 1961-62.

In order to obtain economical administration of the Provincial Act and to facilitate the payment of taxes imposed thereunder, the Government of Canada and the Province of Ontario have made a tax collection agreement for the five-year period commencing January 1, 1962 whereby Canada, as agent of the Province, will collect for and on behalf of the Province, the individual income tax imposed under the Provincial Act for each of the years comprising the term of the agreement and will remit the income tax so collected to the Province of Ontario.

The tax payable under section 3 of the Act is the amount resulting from applying the following percentages to the tax payable under the Federal Act for the same taxation year:

Taxation Year	Rate
1962.....	16 per cent
1963.....	17 per cent
1964.....	18 per cent
1965.....	19 per cent
1966.....	20 per cent

In the fiscal year a payment of \$1,737,061 was made to the Government of Canada in connection with excess of actual over estimated succession duty credits allowed by the Federal Department of National Revenue during the period from April 1, 1960 to March 31, 1961, with respect to estates of persons whose deaths occurred during the five fiscal years between April 1, 1952 and March 31, 1957. This payment is made pursuant to the provisions of The Corporations and Income Taxes Suspension Act, 1952. As this payment adjusts accounts of prior years, it has been charged to Surplus Account as will all subsequent payments of this nature.

During the year gross capital disbursements on King's Highways, Development Roads and Municipal Roads Subsidies, etc., amounted to \$169,572,798. This amount is an increase of \$3,142,579 over 1961. In addition the Department of Mines spent \$1,761,954 on Mining and Access Roads.

Capital disbursements were made to The Hydro-Electric Power Commission of Ontario in the amount of \$543,984 to assist in rural electrification projects. This is an increase of \$32,908 from the 1960-61 payment. It would appear that rural electrification is substantially complete in most areas of the Province.

Land and Buildings have been added to during the year by gross capital disbursements of \$28,400,415. General Works and Improvements were increased by gross capital disbursements of \$2,350,307.

A provision for Sinking Fund in the amount of \$35,802,000 was made through ordinary account.

Contributions by the Province to the Teachers' Superannuation Fund and the Public Service Superannuation Fund amounted to \$16,465,576 and \$8,612,353 respectively in accordance with the enactments relative thereto. In addition, a payment of \$1,000,000 has been made to each Fund as a special contribution from the Province to reduce the amount by which the estimated actuarial liabilities exceed the assets of the respective Funds. These special contributions, which have been made for a number of years, have served to fund a part of the actuarial deficit.

The most recent actuarial valuation of the Teachers' Superannuation Fund was made as at December 31, 1958 and was reported upon by the actuary, Professor N. E. Sheppard, M.A., in January 1961. As at December 31, 1958 the actuarial deficit of the Fund was calculated to amount to \$203,886,000. Additional comments about the serious condition of this Fund were made in my report of November 23, 1961. It is again recommended that immediate steps be taken to place the Fund on a sound actuarial basis.

At present an actuarial valuation of the Public Service Superannuation Fund as at March 31, 1962 is in progress but a report is not expected before the end of the present fiscal year. At the date of the last valuation, March 31, 1952, this Fund showed a deficiency of \$46,220,000. When the current valuation is completed and the amount of the anticipated actuarial deficit is known arrangements should be made to fund it over a reasonable period of time.

Any consideration of the actuarial deficit in the Public Service Superannuation Fund should take into account the fact that the existing deficit is in part related to the participation in the Fund of certain jurisdictions employing persons such as sheriffs, magistrates, full-time judges and deputy judges of juvenile and family courts, jailers and their employees. In such cases it would appear equitable to expect these jurisdictions to fund their share of any deficit which may be determined by the actuary. Any other course of action would result in the Province being required to bear a disproportionate share of the amount that may be required to place the Fund on a sound actuarial footing.

It should be recognized that the real financial obligation under a retirement plan arises not at the time benefits become payable but accrues continually over the entire period of the employee's service.

AUDIT OF REVENUE

The revenues of the Province are continually under audit. The revenue records and related data of the various Departments undergo a thorough audit and continue to be examined in a systematic manner in accordance with the practice of previous years, applying all procedures considered necessary to conform with generally accepted auditing standards applicable in the particular circumstances encountered.

The establishment and maintenance of reliable and up-to-date records is facilitated by the existence and implementation of efficient systems of internal control and methods of accounting. Due to the importance of systems and methods procedures it is standard practice to review the methods followed in the different Departments in order to evaluate their effectiveness.

Ministers of the Departments concerned and officials of Boards and Commissions receive comprehensive reports of the various examinations. These examinations produce information which is most useful in determining the efficiency and reliability of the accounting process and permit me to be of the opinion that a full accounting is being made of the various revenues of the Province.

Certain non-tax revenues such as receipts from privileges, licenses, fees, permits, perquisites, etc., form part of the total revenues. In many cases it is difficult or impracticable to determine the exact cost of providing these non-tax services, nevertheless constant vigilance should be maintained to provide a reasonable relationship between the revenues of this nature and the related expense to the Province. The cost of government operation, as with other costs,

has continued to increase but not all non-tax revenues have registered a corresponding increase. It is recommended that all fees and charges, which are fixed by either statute or regulation be periodically reviewed by the Treasury to the end that the estimated cost of services rendered be matched against the revenues received therefrom during a given period.

AUDIT OF EXPENDITURE

As in past years, the expenditures of the Province have undergone a systematic audit examination in accordance with the related statutory requirements. During this process one is constantly aware of the problems of organization and management throughout the Service.

I again wish to emphasize that the Departments should not overlook the very important obligation that each Department is primarily responsible for conducting its financial affairs effectively within the limits of the appropriations provided by the Legislature. Each Department is itself responsible for the following: First, the organization of work. Second, the cost consciousness of staff at all levels. Third, the critical scrutiny of all its activities, particularly those which are static or declining. In this way each Department will ensure that full value is received for money spent.

In addition to the audit of the accounts of the Province of Ontario and the accounts of certain Boards and Commissions, examinations are made of numerous funds of a trust nature which are held at various provincial institutions. These funds are administered by various Departments, including the Department of Health, which has patients' personal cash funds at twenty institutions and the Department of Reform Institutions, which maintains inmates' and wards' trust funds at sixteen institutions. In addition, there are various important trust funds of a general nature maintained in connection with schools and colleges, etc., by the Departments of Agriculture, Education, and Labour, etc.

It should be acknowledged that the system of vacation-with-pay credit stamps authorized by the regulations of The Hours of Work and Vacation with Pay Act presents a most difficult problem for the encashing Agents to ensure that payments for proper stamps are made to only those persons entitled thereto. It is recommended that consideration be given to adopting an alternative method of providing for vacations with pay which would provide the same benefits but which would eliminate the administrative complications and hazards of the present system.

During the year examinations of stores records in several Departments were made and in general the records were found in order. However, constant attention is required to ensure the maintenance of proper stores records. The necessity for effective control of stores cannot be overstressed. It is as essential in principle for stores as for cash that a continuous record be kept. All stores received and requisitioned for use should be recorded so that all supplies may be traced from the time of their receipt to the time of their consumption. The maintenance of such a record is of prime importance in ensuring care and preventing waste in dealing with public property.

The financial situation of the Ontario Northland Transportation Commission as shown in the annual report of the Commission for the year ended December 31, 1961 is less favourable than that of the preceding year. The combined operations of the Commission showed a small profit of some \$12,000 for the year ended December 31, 1961 due to the highly productive operations of the commercial communications system offsetting losses on other railroad operations. An improved operating result is expected for 1962. The operations of Star Transfer Limited were profitable during 1961 and are expected to result in a profit for 1962. Owing to its need for operating capital, Star Transfer Limited, which is owned by the Ontario Northland Transportation Commission, has not declared any dividend and consequently no funds from this source have as yet reached the Commission.

Five years ago I advocated a survey be made to assess the strength and weakness of the machinery of government. A survey was made and the resultant report of the Committee on the Organization of Government in Ontario was beneficial and resulted in improvements in administrative efficiency. I am of opinion that a survey of the machinery of government should be undertaken at regular intervals of eight to ten years because it is only in this way that thought can be brought to bear upon the fundamental problems of government. Such a survey would subject existing programmes and administrative methods to a careful scrutiny to determine the administrative or procedural arrangements best suited for the conduct of government business.

BALANCE SHEET

The balance sheet of the Province does not include as an asset the value of Crown timber, mineral wealth and surface value of Crown lands, water power, fish, game and fur.

The balance sheet does not include the accounts of a number of Boards and Commissions and other Crown Instrumentalities brought into existence by legislative enactment. These bodies are mostly on a self-supporting basis.

A condensed balance sheet follows, showing the assets and liabilities of the Province of Ontario as at March 31, 1962.

PROVINCE OF ONTARIO
CONDENSED BALANCE SHEET
AS AT MARCH 31, 1962

ASSETS

Cash on Hand and in Banks.....	\$ 38,460,750
Temporary Investments.....	77,765,000
Loans and Advances.....	559,683,411
Government of Canada:	
Debt Account and Common School Fund.....	4,271,015
Highways, Buildings, etc.....	2,113,863,481
The Liquor Control Board of Ontario—Investment.....	21,012,292
Other Loans and Advances.....	624,341
Discount and Exchange on Debentures (less amount amortized).....	14,099,023
Accounts Receivable (less Reserve).....	17,824,432
Accrued Interest on Advances secured by Bonds.....	2,937,646
Interest Receivable (less Reserve).....	513,000
Equipment, Stores and Materials (less Reserve).....	11,094,772
	<u>\$2,862,149,163</u>

LIABILITIES

Funded Debt (less sinking fund—\$177,186,438).....	\$1,582,891,562
Unfunded Debt.....	302,081,299
Accounts Payable.....	1,908,498
Accrued Interest on Funded Debt.....	21,636,642
	<u>\$1,908,518,001</u>
Reserves.....	7,531,130
Surplus.....	946,100,032
	<u>\$2,862,149,163</u>
Contingent Liabilities:	
Bonds, etc., Guaranteed by the Province.....	<u>\$1,560,795,150</u>

I report hereunder on certain of the Assets and Liabilities as shown on the balance sheet of the Province as at March 31, 1962, which appears in the Public Accounts for 1961-62 on pages 6-7.

ASSETS

CASH ON HAND AND IN BANKS—\$38,460,750

Cash in Chartered Banks.....	\$37,105,558
Province of Ontario Savings Office.....	1,355,192
	<u>\$38,460,750</u>

The balances in chartered banks for the account of the Treasurer of Ontario were verified by reconciliation with letters of confirmation received direct from the depositaries. It was also necessary to take into account a balance sheet adjustment to segregate sinking fund moneys on deposit with the Treasurer of Ontario from other Provincial moneys on deposit at March 31, 1962.

Cash on hand in the various branches of the Province of Ontario Savings Office was certified by the respective branch managers and the cash on deposit in chartered banks has been confirmed by direct correspondence with the banks concerned. The various branches of the Savings Office were examined by Head Office inspectors during the year without advance notice being given to the staff of the branches visited.

TEMPORARY INVESTMENTS—\$77,765,000

	<i>Par Value</i>
Government of Canada:	
Direct and Guaranteed Securities, etc.....	\$27,877,000
Treasury Bills.....	42,257,000
Provinces of Canada:	
Direct and Guaranteed Securities.....	6,201,000
	<u>\$76,335,000</u>
Subject to repurchase agreements at.....	\$75,765,000
Ontario Northland Transportation Commission Demand Notes (guaranteed by Province of Ontario).....	2,000,000
	<u>\$77,765,000</u>

These investments have been made for the purpose of making the most efficient use of funds temporarily surplus to normal requirements and were made under authority of section 20 of The Financial Administration Act. In dealing with purchases of short-term securities the vendors of the securities contract to pay interest at an agreed rate and to buy back the securities at a fixed date at the price paid by the Province. From time to time prior to the fixed date, securities may be exchanged for others acceptable to the Province. Securities held for temporary investment at March 31, 1962, were verified by actual count at the Securities Branch of the Treasury Department.

LOANS AND ADVANCES—\$559,683,411

THE HYDRO ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES SECURED BY BONDS—\$342,706,000

In accordance with the provisions of The Power Commission Act, debentures of the Province of Ontario were issued during the years 1951 to 1959 in the amount of \$375,000,000 and the proceeds were advanced to The Hydro-Electric Power Commission of Ontario for the purposes of the Commission. Repayments up to March 31, 1962 amounted to \$32,294,000 leaving a balance as at March 31, 1962 of \$342,706,000. As security for the advances, the Commission delivered to the Province of Ontario, bonds of The Hydro-Electric Power Commission for the same principal amount and the same interest rate and terms as the related Province of Ontario debentures.

Bonds of the Commission in the amount of \$342,706,000 held in safekeeping in the Securities Branch of the Treasury Department at March 31, 1962 were verified by actual count.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO—

ADVANCES—UNSECURED—\$13,462,387

During the period from 1909 to 1934 funds borrowed by the Commission under The Power Commission Act were in some instances obtained as a part of the proceeds of certain Provincial debenture issues. As the related issues mature, the Commission repays the amount previously advanced. During the year ended March 31, 1962, the Commission repaid \$1,407,254 to the Province of Ontario on account of these unsecured advances.

The Commission also pays the required interest and service charges in respect of its share of the Provincial debenture issues concerned. The balance of unsecured advances was \$13,462,387 as at March 31, 1962. In previous years indebtedness has been divided between the Southern Ontario System and the Northern Ontario Properties. By The Power Commission's Systems Consolidation Act, 1961-62, all assets related to the supply of power in the territorial districts of Ontario previously held by the Commission in trust for Her Majesty or for the municipalities, in the former Thunder Bay System, were vested absolutely in the Commission as of January 1, 1962. The opinion of the Government was that the amalgamation of the Southern Ontario System and the Northern Ontario Properties would make possible greater stability of the northwestern and northeastern systems.

The following schedule shows the details of future repayments from the amalgamated systems:

YEAR ENDED	AMOUNT
March 31, 1963.....	\$ 1,466,209
1964.....	1,528,712
1965.....	1,592,934
1966.....	1,659,670
1967.....	1,729,504
1968.....	1,414,789
1969.....	1,474,479
1970.....	1,072,860
1971.....	1,119,358
1972.....	403,872
	<u>\$13,462,387</u>

ONTARIO NORTHLAND TRANSPORTATION COMMISSION—\$30,207,935

This amount relates to advances made to the Commission to provide funds for construction and equipment. There has been no change in this account since 1937. By order in council dated April 22, 1936, the loan was made non-interest bearing.

HOUSING CORPORATION LIMITED—INVESTMENTS—\$2,623,872.

The assets of Housing Corporation Limited have decreased by \$542,111 during the year. This is due mainly to repayment of mortgage loans principal in the amount of \$540,811. In the same period a reduction of \$450,000 has been made in the bank loan and a reduction of \$65,649 in the bank overdraft. The Reserve for Mortgage Loans, principal and interest was reduced by \$25,863 to a total of \$798,047 due to a loss on operations resulting from interest earned on mortgage loans at $3\frac{1}{2}\%$ being insufficient to meet bank interest on borrowed funds and bank collection charges on the mortgage repayments.

Housing Corporation Limited was incorporated in May, 1948, under a Provincial Charter with a nominal share capital, all of which is owned by the Province of Ontario.

The purpose of the Corporation was to facilitate the financing of new, low-cost houses in Ontario. To carry out this plan the Corporation advanced money by way of second mortgage up to a maximum of \$1,249.25 and not exceeding in any case the amount of the cash contribution by the borrower. In the latter part of 1949 the Government of Canada expanded its facilities in this field, and Housing Corporation thereupon discontinued the receiving of applications for the advancing of moneys under second mortgages as of December, 1949.

The Corporation made loans on 14,695 applications. As at March 31, 1962 there were 5,145 loans in the course of repayment. This is a reduction of 436 loans in the past fiscal year. No confirmation of mortgages was obtained from the mortgagors concerned.

Housing Corporation Limited has financed its operations by bank loans evidenced by promissory notes and by bank overdraft, guaranteed by the Province of Ontario pursuant to The Housing Development Act. As of March 31, 1962 the Corporation had outstanding a note in the amount of \$1,750,000 bearing interest at $5\frac{1}{2}\%$ and maturing May 19, 1962.

The general administrative expenses of Housing Corporation Limited have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of bank interest and bank collection charges on the mortgage repayments. However, an operating deficit has occurred in recent years due to the increased rate of interest which the Corporation has to pay on borrowed funds. These deficits were as follows:

Year ended March 31, 1958.....	\$24,030
“ “ “ 1959.....	3,087
“ “ “ 1960.....	35,019
“ “ “ 1961.....	41,238
“ “ “ 1962.....	25,863

The assets and liabilities of Housing Corporation have been included with the other accounts in the balance sheet of the Province. The balance sheet of Housing Corporation Limited is shown separately in the Public Accounts for 1961-62 on page 62.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION—

INVESTMENTS—\$21,836,938

As at March 31, 1962 the Corporation had 3,131 loans receivable in the amount of \$20,011,623 secured by first mortgages. Mortgage interest rates are 4% for loans repayable within 20 years and 4½% for a small number of loans repayable within 20 to 25 years. The accrued interest relating to these first mortgages amounted to \$471,064 as at March 31, 1962. The assets have decreased during the year by \$2,263,054. This is due mainly to a decrease of \$1,973,100 in Mortgage Loans Principal, a decrease of \$254,424 in Discount on Debentures and a decrease of \$36,232 in Mortgage Interest due and accrued.

The deficit account of The Ontario Junior Farmer Establishment Loan Corporation has increased by \$255,808 during the year and now amounts to \$559,715. During the year the capital advance from the Treasurer of Ontario was reduced by \$2,025,000.

The Ontario Junior Farmer Establishment Loan Corporation was incorporated in April, 1952, without share capital by The Junior Farmer Establishment Act. In all, some 3,900 loans, totalling \$29 million, were granted to assist young, qualified farmers in the establishment, development and operation of their farms. At March 31, 1962 there were 3,131 loans outstanding.

The general administration expenses of the Corporation have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of bank and debenture interest and sundry charges on the mortgage payments. In the early years of operation the interest revenues were more than sufficient to meet the cost of borrowed money but in each of the last five years a deficit on operations has occurred due to the rise in the cost of borrowed money. The deficits were as follows:

Year ended March 31, 1958.....	\$ 79,699
“ “ “ 1959.....	72,083
“ “ “ 1960.....	193,648
“ “ “ 1961.....	274,437
“ “ “ 1962.....	255,808

The assets and liabilities of The Ontario Junior Farmer Establishment Loan Corporation have been included with the other assets in the balance sheet of the Province. The balance sheet of The Ontario Junior Farmer Establishment Loan Corporation is shown separately in the Public Accounts for 1961-62 on page 63.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—

INVESTMENTS—\$56,983,590

The Ontario Municipal Improvement Corporation is a corporation created by the Province for the purpose of purchasing from municipalities in Ontario the debentures issued by them for any of the following municipal works and undertakings: waterworks and water supply distribution systems, sewage works, garbage incinerators, drainage works and school board undertakings.

As at March 31, 1962 the Corporation held debentures of Ontario Municipalities and School Boards having a book value of \$54,431,845 and bearing interest at various rates from 3½% to 7%. This amount together with accrued interest receivable of \$1,182,588, net discount of \$509,764 and cash in bank of \$859,393 make up the Province's investment of \$56,983,590.

The assets of the Corporation have decreased by \$670,683 during the year. This is due mainly to a decrease of \$1,368,363 in investment securities, a decrease of \$147,404 in discount on debentures issued, less an increase of \$859,393 in cash in bank. During the year a bank overdraft of \$1,189,034 was eliminated and matured debentures were paid in the amount of \$550,000, financed from capital advances of \$400,000 from the Treasurer of Ontario, excess of revenue over expenditure amounting to \$690,356, and the proceeds of matured investments.

Subject to the approval of the Lieutenant Governor in Council and to the borrowing limitations referred to below, the Corporation may borrow such sums of money as it deems necessary for its purposes by the issue and sale of debentures, bills or notes and by temporary loans, any of which may be guaranteed by the Province of Ontario. The Lieutenant Governor in Council may authorize the Treasurer of Ontario to purchase any debentures, bills or notes of the Corporation and to make advances to the Corporation in such amounts as the Lieutenant Governor in Council may deem expedient. The Corporation, however, may not borrow any money, except to repay securities issued by the Corporation or to repay advances from the Treasurer of Ontario, if, after giving effect to such borrowing, the aggregate principal amount of the outstanding debt of the Corporation would exceed \$150,000,000.

The general administrative expenses of the Corporation have been paid by the Province of Ontario and the Corporation has applied its interest revenue toward the payment of interest on borrowed funds, etc., resulting in a profit of \$690,356 as shown by the financial statements in the Public Accounts for 1961-62 on pages 65-66.

The assets and liabilities of The Ontario Municipal Improvement Corporation are shown separately in the Public Accounts for 1961-62 on page 65.

A schedule of debentures of Ontario Municipalities and School Boards held by the Corporation at March 31, 1962 is presented on pages 45-52 of this report. These debentures are held in safekeeping by the Securities Branch of the Treasury Department and were verified by actual count at March 31, 1962.

THE HOUSING DEVELOPMENT ACT—ADVANCES—\$14,668,977

During the year capital advances of \$1,814,119 were made under authority of the above Act in connection with certain joint housing projects which are controlled by the Government of Canada and the Province of Ontario acting in partnership to provide needed housing accommodation in Ontario.

In the same fiscal year the amount of \$1,505,665 has been received and applied as a reduction of the advances pending any subsequent adjustments which may become necessary upon the completion of the individual projects.

ONTARIO WATER RESOURCES COMMISSION—

ADVANCES—\$48,953,972

This Commission was set up in 1956 to assist municipalities in dealing with their financial and physical problems in relation to water resources, sewage and pollution. Projects undertaken must be self liquidating, producing over a reasonable time a revenue that will cover operating costs, interest charges and debt retirement

During the fiscal year ended March 31, 1962, there was a net increase of \$11,418,109 in this account including capitalized net interest charges of \$450,911 calculated to December 31, 1961.

PROVINCIAL STUDENT-AID LOANS—\$4,203,238

The Provincial Student-Aid Loan Fund was established in 1958 by an amendment to The Department of Education Act. Its purpose is to aid students of ability who wish to continue their education beyond the secondary school level and who need financial assistance. The loans are repayable with interest at 4 per cent per annum commencing upon the first of April following graduation. During the fiscal year ended March 31, 1962, loans were made to 4,752 students for a total of \$1,866,460. Repayments in the same period amounted to \$331,922. As at March 31, 1962 there were 7,643 loans in course of collection. No confirmation of outstanding loans was obtained from the borrowers concerned as at March 31, 1962 but a selected group of loans was confirmed as at May 31, 1962.

MUNICIPALITIES, ETC.—\$23,969,779

The Co-operative Loans Act—Loans.....		\$ 2,833,364
Tile Drainage Debentures.....		4,945,221
Municipal Debentures—		
City of Windsor.....		1,049,672
Improvement District of Elliot Lake.....		3,548,900
Improvement District of Manitouwadge.....		737,400
Town of Atikokan.....		46,700
Sandwich, Windsor and Amherstburg Railway Company—Bonds		
2% Due June 30, 1962-77.....	\$ 800,000	
3% Due April 1, 1980.....	2,100,000	
		2,900,000
The Sault Ste. Marie Bridge Act, 1960—		
International Transit Company Limited.....	\$ 282,000	
International Bridge Authority of Michigan....	7,615,072	
St. Mary's River Bridge Company.....	1,370	
		7,898,442
Miscellaneous.....		10,080
		<u>\$23,969,779</u>

Loans made under The Co-operative Loans Act showed a net increase of \$272,705 during the year under review. The total of Tile Drainage Debentures outstanding increased by a net amount of \$708,042. These debentures are held in safekeeping by the Canadian Imperial Bank of Commerce and were confirmed by a test examination carried out at the premises of the Bank. The various municipal debentures and bonds were held in safekeeping at March 31, 1962 by the Securities Branch of the Treasury Department and were confirmed by actual count together with the securities acquired under The Sault Ste. Marie Bridge Act, 1960 relating to the International Transit Company Limited, the International Bridge Authority of Michigan and the St. Mary's River Bridge Company.

During the year the Province paid the final instalment of \$300,000 due under the terms of the agreement for the purchase of all the 3,000 issued common shares of the International Transit Company Limited, thus completing the purchase price of \$1,677,000. To date the Province has received \$1,395,000 from the surplus funds of the Company including \$315,000 received as a dividend

of \$105.00 per share in March, 1962. The total of \$1,395,000 received from the Company has been treated as a partial realization of the investment already made and when deducted from the purchase price of \$1,677,000 leaves the amount of \$282,000 as the investment of the Province as at March 31, 1962.

THE AGRICULTURAL DEVELOPMENT FINANCE ACT—

INVESTMENTS—\$66,723

The Farm Loans Act—Farm Loans Associations.....	\$36,352
—Capital Stock in Associations.....	2,145
Municipal Debentures—Village of West Lorne.....	28,226
	<u>\$66,723</u>

During the year \$5,974 was received from the Village of West Lorne in accordance with a repayment plan approved by the Treasury Department.

GOVERNMENT OF CANADA—\$4,271,015

DEBT ACCOUNT—\$2,848,290

Under the B.N.A. Act, 1867, the Government of Canada assumed the debt of the old Province of Canada (Ontario and Quebec). However, on any excess of debt over \$62,500,000, interest at the rate of 5% per annum was to be paid to the Government of Canada by Ontario and Quebec. The excess of debt was apportioned five-ninths to Ontario and four-ninths to Quebec.

When paying the subsidy based on population, the Government of Canada retained therefrom interest at 5% per annum on the excess of debt over \$62,500,000. In the case of Ontario, this amounted to \$291,667 annually and represented interest at 5% on \$5,833,333. This procedure was followed for five and one-half years from July 1, 1867, to January 1, 1873.

Under 36 Victoria, Cap. 30, 1873, the excess of debt of Ontario and Quebec was deemed to be properly assumed by the Government of Canada. Therefore the Provinces of Ontario and Quebec received the first full subsidy, based on population, free of any interest deduction for excess of debt on July 1, 1873.

In 1884, under 47 Victoria, Cap. 4, an adjustment was made in the annual subsidy to compensate the Province of Ontario for the interest on the excess of debt which had been withheld during the five and one-half years above-mentioned. The amounts withheld, together with interest thereon, to July 1, 1884, were, in effect, capitalized and on this capitalized figure of \$2,848,290, the Government of Canada pays the Province interest at the rate of 5% per annum or \$142,414. Payments are made semi-annually on January 1 and on July 1 in each year.

COMMON SCHOOL FUND—\$1,422,725.

This amount represents Ontario's present interest in a permanent fund of \$2,677,771 held in trust by the Government of Canada for the Provinces of Ontario and Quebec jointly. The total held by the Government of Canada has remained unchanged since March 31, 1942 and is derived from the sale of Crown lands set aside for the benefit of common schools by statutes enacted before Confederation. The Government of Canada pays interest to the Provinces on the principal sum at the rate of 5% per annum, payable semi-annually, in proportion to their respective populations as determined by the most recent decennial census. The present basis of allocation is the census of 1951.

HIGHWAYS, BUILDINGS, ETC.—\$2,113,863,481.

Highways and Roads.....	\$1,773,872,017	
Less—Capital Disbursements to October 31, 1932, written off.....	181,663,254	\$1,592,208,763
Rural Power Transmission Lines Bonus 1927-62.....	\$ 114,140,943	
Less—Capital Disbursements to October 31, 1932, written off.....	6,739,243	107,401,700
Land, Buildings, Public Works, etc.....		399,031,509
The Niagara Parks Commission—Surplus of Assets (October 31, 1961)...		7,184,605
The Ontario-St. Lawrence Development Commission—Surplus of Assets.		8,036,904
		<u>\$2,113,863,481</u>

During the year the investment in Highways and Roads was increased by a net amount of \$170,720,997. This comprises net capital disbursements of \$169,572,798 on highways together with \$1,761,954 spent on mining roads less capital receipts of \$613,755 applied to highways. The accumulated net capital disbursements to date on highways and roads amounts to \$1,592,208,763.

Highways which were constructed more than thirty years ago have, for the most part, lost their usefulness and have become obsolete or have been incorporated in new construction to such an extent that their original value is considered to have largely disappeared. Commencing with the fiscal year ended March 31, 1952 it was decided to remove from the accounts of the Province the portion of the investment in Highways more than thirty years old. As a result the highway capital disbursements made prior to October 31, 1931 in the amount of \$165,358,395 have been written off in prior years and charged to Surplus, and in the current year a further amount of \$16,304,859, being highway capital disbursements for the fiscal year ended October 31, 1932, has been written off to Surplus. These two amounts totalling \$181,663,254 when deducted from the total disbursements leave a net book value at March 31, 1962 of \$1,592,208,763.

Rural Power Transmission Lines which have been in existence for more than thirty years have, in most cases, been substantially reconstructed or replaced. Starting with the fiscal year ended March 31, 1957 it was decided to remove from the accounts of the Province the portion of the investment in Rural Power Transmission Lines representing capital disbursements made more than thirty years previously. Accordingly the capital disbursements made prior to October 31, 1931 in the amount of \$6,014,243 have been written off in previous years and charged to Surplus, and in the current year a further amount of \$725,000 being Rural Power Transmission Bonus for the fiscal year ended October 31, 1932 has been written off to Surplus. These two amounts totalling \$6,739,243 when deducted from the total disbursements leave a net book value at March 31, 1962 of \$107,401,700.

Net increases to the value of Land, Buildings, Public Works were made during the year in the amount of \$29,551,414. This is made up of a net increase of \$27,626,877 in Land and Buildings, an investment of \$259,070 in Provincial Parks and a net increase of \$1,665,467 in General Works and Improvements. No depreciation has been accrued on Land, Buildings, Public Works, etc.

The Surplus Account of The Niagara Parks Commission, as at the close of its fiscal year October 31, 1961 showed a balance of \$7,184,605 which is included

in the accounts of the Province by reason of the authority given by subsection 2 of section 14 of The Niagara Parks Act. This amount has been brought on the balance sheet by an adjustment through Surplus Account.

The assets of The Ontario-St. Lawrence Development Commission amount to \$8,036,904 as at March 31, 1962 as per the balance sheet of the Commission. This figure includes an amount of \$598,963 representing expenditures for fixed assets made through ordinary account during the fiscal year ended March 31, 1962. This latter amount has been brought on the balance sheet of the Province by an adjustment through Surplus Account.

THE LIQUOR CONTROL BOARD OF ONTARIO—

INVESTMENT—\$21,012,292

This amount represents the appropriated Surplus of The Liquor Control Board of Ontario as at March 31, 1962. It is the amount required by the Board for financing Accounts Receivable, Inventories, Prepaid Charges and Fixed Assets (less reserves). This asset has been brought on the balance sheet by an adjustment through Surplus Account.

OTHER LOANS AND ADVANCES—\$624,341

The Co-operative Loans Act—Loans.....	\$ 54,567
Guaranteed Debentures and Interest Coupons redeemed by the Province of Ontario.....	233,828
Home Bank (in Liquidation) Balance.....	213,000
The Ontario Telephone Development Corporation—Advances.....	67,525
Settlers' Loans.....	55,421
	<u>\$624,341</u>

The items in this group continue to be in arrears or in default. During the year recoveries were made in the amount of \$29,900 of which \$28,527 related to loans made under The Co-operative Loans Act and \$1,373 was for settlers' loans. An amount of \$22,951 relating to Guaranteed Debentures and Interest Coupons assumed by the Province of Ontario was written off as uncollectable during the year under authority of Order in Council in accordance with the terms of a settlement with the Town of Sturgeon Falls.

These assets are carried at book value as the amounts which may be ultimately realized cannot be determined at this time.

DISCOUNT AND EXCHANGE ON DEBENTURES

(less amount amortized)—\$14,099,023

Discounts and Exchange on Provincial debenture issues are amortized in each case over the term of the related issue. The unamortized balances making up the above total are shown in detail in the Public Accounts of Ontario for 1961-62 on page 54.

ACCOUNTS RECEIVABLE (less Reserve)—\$17,824,432

This amount is the net total of the accounts receivable of all Departments of the Province of Ontario after the deduction of reserves for doubtful accounts and includes \$2,613,424 representing the unappropriated surplus of The Liquor Control Board of Ontario as shown by the balance sheet of the Board as at March 31, 1962.

The details of the accounts receivable were submitted by Departmental accountants. The reserves provided are considered adequate. This asset has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON ADVANCES TO THE HYDRO-ELECTRIC POWER

COMMISSION OF ONTARIO SECURED BY BONDS—\$2,937,646

The above amount represents interest accrued but not yet due at March 31, 1962. This asset has been brought on the balance sheet by an adjustment through Surplus Account. The principal amount of the advance is \$342,706,000 and is referred to earlier in this report.

INTEREST RECEIVABLE (less Reserve)—THE AGRICULTURAL DEVELOPMENT

FINANCE ACT—\$513,000

There is owing to the Treasurer of Ontario \$1,713,000 for interest due on the former debentures of the Agricultural Development Board. A reserve of \$1,200,000 is provided against the \$1,713,000 since a deficit of \$1,063,110 appears in the books of the borrower and certain loans are outstanding which may prove to be uncollectable. This reserve previously stood at \$1,700,000 but was considered to be too large. Accordingly \$500,000 was transferred to the Reserve for Farm Loans. During the year interest due was reduced by \$233,000 as compared with \$307,000 in the previous year. This account has been brought on the balance sheet by an adjustment through Surplus Account.

EQUIPMENT, STORES AND MATERIALS (less Reserve)—\$11,094,772

Inventories of equipment, stores and materials, as compiled by the various Departments, are shown in total above after the deduction of reserves which are deemed adequate to reduce the gross inventory totals to a conservative valuation. Inventories are valued as in previous years on a basis not exceeding cost. This account has been brought on the balance sheet by an adjustment through Surplus Account.

LIABILITIES

FUNDED DEBT—\$1,582,891,562

Stock and Debentures.....	\$1,760,078,000
Less—Sinking Funds.....	177,186,438
	<u>\$1,582,891,562</u>

The details of Stock and Debentures outstanding at March 31, 1962 are shown in the Public Accounts for 1961-62 on page 57.

The Sinking Funds amount to \$177,186,438 of which \$30,386,938 is on deposit with the Treasurer of Ontario. The securities held are shown on page 56 of the Public Accounts for 1961-62 and consist of issues of the Province of Ontario, The Hydro-Electric Power Commission of Ontario, the Ontario Northland

Transportation Commission, the University of Toronto and the Government of Canada. These securities were verified by actual count as at March 31, 1962 in the Securities Branch of the Treasury Department. The funds on deposit have been verified from the records of the Treasurer of Ontario.

UNFUNDED DEBT—\$302,081,299

DEMAND DEPOSITS WITH THE PROVINCE OF ONTARIO

SAVINGS OFFICE—\$77,048,540

This amount is made up of current deposits of \$76,961,671 and unclaimed balances of \$86,869. These accounts are carried by 21 branches of the Savings Office throughout the Province. The liability of the Savings Office to depositors is similar to the liability of a chartered bank in regard to savings deposits.

The Agricultural Development Finance Act, 1921 (II George V, Ch. 31), empowered the Province to borrow money by means of deposits and to open offices for this purpose at various points in the Province. The Treasurer of Ontario is authorized to fix the conditions as to interest and repayments governing such deposits, the rate of interest to be not more than 4% per annum. The present legislation relating to the Savings Office is found in the Revised Statutes of Ontario 1960, Chapter 9. Under the existing legislation the moneys borrowed by way of these deposits may be used for the general purposes of the Province.

SPECIAL FUNDS—\$161,844,517

PUBLIC SERVICE SUPERANNUATION FUND—\$128,486,186

During the year the funds of the Public Service Superannuation Fund on deposit with the Treasurer of Ontario increased by a net amount of \$19,761,719 to a total of \$128,486,186 as at March 31, 1962.

PUBLIC SERVICE RETIREMENT FUND—\$1,443,934

During the year the funds of the Public Service Retirement Fund on deposit with the Treasurer of Ontario increased by a net amount of \$287,411 to a total of \$1,443,934 as at March 31, 1962.

OTHER—\$31,914,397

The funds held for redemption of vacation-with-pay stamps decreased by \$872,278 to a total of \$6,040,453. The funds held for the Unsatisfied Judgment Fund have increased by \$1,209,057 to a total of \$8,404,229 as at March 31, 1962. As of July 1, 1962 all money at the credit of the Unsatisfied Judgment Fund was transferred to the Motor Vehicle Accident Claims Fund as authorized by The Motor Vehicle Accident Claims Act 1961-62. During the year a special account has been established in connection with the Ontario Hospital Services Commission in the amount of \$12,202,660. A detailed list of Special Funds—Other is given in the Public Accounts for 1961-62 on page 60.

HOUSING CORPORATION LIMITED—

LIABILITIES—\$1,825,815

The liabilities of Housing Corporation Limited consist mainly of a bank loan of \$1,750,000 and a bank overdraft of \$67,816, both guaranteed by the Province of Ontario. During the year the bank loan was reduced by \$450,000.

THE ONTARIO JUNIOR FARMER ESTABLISHMENT LOAN CORPORATION—

LIABILITIES—\$20,346,652

The main liabilities of the Ontario Junior Farmer Establishment Loan Corporation are as follows: \$9,000,000 of 2% debentures maturing in June 1965 and \$11,000,000 of 4½% debentures maturing October 1976, both guaranteed by the Province, and accrued interest on these debentures amounting to \$301,729 as at March 31, 1962. In addition the Corporation is indebted to the Treasurer of Ontario for an advance of \$2,050,000. The rate of interest on advances from the Province was 5¾% per annum until May 31, 1962 and 5½% thereafter. This item has been eliminated by contra in the preparation of the balance sheet of the Province.

THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION—

LIABILITIES—\$41,015,775

The liabilities of The Ontario Municipal Improvement Corporation are made up mainly of outstanding debentures of \$40,300,000 bearing interest at rates from 2½% to 5¾%, and accrued interest on debentures of \$711,781, all guaranteed by the Province of Ontario.

In addition the Corporation is indebted to the Treasurer of Ontario for net advances of \$13,040,000, of which \$3,187,000 bears interest at 5½% and \$9,853,000 at 6¼%. This item has been eliminated by contra in the preparation of the balance sheet of the Province.

ACCOUNTS PAYABLE—\$1,908,498

The largest departmental total contained in this amount is \$1,467,252 for the Department of Lands and Forests and consists mainly of timber deposits and prepayments. The remaining \$441,246 represents the value of goods received and services rendered during the year which had not been paid for at March 31, 1962 by the departments. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

ACCRUED INTEREST ON FUNDED DEBT—\$21,636,642

Interest accrued but not yet due at March 31, 1962 on debentures outstanding in the hands of the public, accounts for \$21,626,367 of the above total. This liability has been brought on the balance sheet by an adjustment through Surplus Account.

RESERVES—\$7,531,130

There has been an increase of \$906,672 in this account. This is due mainly to a credit of \$690,356 to the General Reserve of The Ontario Municipal Improvement Corporation and a net credit of \$244,192 to the Reserve for Farm Loans. During the year \$500,000 was transferred to the Reserve for Farm Loans from the Reserve for Interest due on former debentures of the Agricultural Development Board and a charge of \$255,808 was made against the reserve on account of a deficit in the operations of The Ontario Junior Farmer Establishment Loan Corporation in the fiscal year ended March 31, 1962. A statement of the various reserves is supplied on page 61 of the Public Accounts for 1961-62.

SURPLUS—\$946,100,032

SURPLUS has been increased during the fiscal year by a net amount of \$71,264,010. The principal items credited to Surplus Account during the fiscal year were Surplus on Ordinary Account \$502,387, Provision for Sinking Fund \$35,802,000, capital disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue, \$50,000,000, capitalization of expenditures in connection with Provincial Parks and The Ontario-St. Lawrence Development Commission \$858,033 and a net amount of \$3,391,048 relating to year-end adjustments of accounts receivable and payable, stores and materials, and accrued interest, etc.

During the fiscal year the main items reducing Surplus Account were Highway Capital Disbursements for the fiscal year ended October 31, 1932 amounting to \$16,304,858 written off, Rural Power Transmission Lines Bonus for the fiscal year ended October 31, 1932 amounting to \$725,000 written off, a repayment to the Government of Canada of \$1,737,061 under the Canada-Ontario Tax Rental Agreement 1952-56, and a transfer of \$500,000 to the Reserve for Farm Loans.

Details of the changes in Surplus Account for the year are shown in the Public Accounts for 1961-62 on page 8.

CONTINGENT LIABILITIES—\$1,560,795,150

Bonds, etc., guaranteed by the Province of Ontario as at March 31, 1962 . . .	\$1,586,661,150
Less—Held in Sinking Fund and Temporary Investments	25,866,000
	<u>\$1,560,795,150</u>

Guarantees of payment made in connection with the indebtedness of certain Co-operative Associations, a Power Commission, a Railway and a University, etc., as shown on pages 67-69 of the Public Accounts for 1961-62 are in accordance with the authority granted in the governing statutes.

During the fiscal year guarantees of bonds, etc., increased by a net amount of \$14,552,154. This is due mainly to a net increase of \$15,459,000 in issues of The Hydro-Electric Power Commission of Ontario and a reduction in issues of the Ontario Northland Transportation Commission of \$868,000.

The amount of contingent liabilities shown on the balance sheet of the Province of Ontario is net of guaranteed obligations held in the sinking fund and temporary investments of the Province of Ontario. For further details see page 69 of the Public Accounts for 1961-62.

CHARTS AND STATEMENTS

Charts showing the trend in Gross and Net Debt and in Net Ordinary Revenue and Expenditure for the ten years ended March 31, 1962 are appended to this report on pages 36-37. Charts showing the trend in certain major items of Net Ordinary Revenue and Expenditure appear on pages 38-41 of this report. A chart showing comparisons between Estimated and Actual Net Ordinary Voted Expenditure for the ten years ended March 31, 1962 and a chart showing comparisons between Estimated and Actual Net Capital Voted Expenditure for the ten years ended March 31, 1962 are appended on pages 42-43.

The following statements for the fiscal year April 1, 1961 to March 31, 1962 will be found on pages 44-55.

Source and Application of Funds

Debentures of Ontario Municipalities and School Boards held by The Ontario Municipal Improvement Corporation as at March 31, 1962

Comparative Statement of Net Interim and Actual Ordinary Revenue

Comparative Statement of Net Interim and Actual Ordinary Expenditure

Comparative Summary of Net Interim and Actual Ordinary Revenue and Ordinary Expenditure

Comparative Statement of Net Interim and Actual Capital Receipts

Comparative Statement of Net Interim and Actual Capital Disbursements.

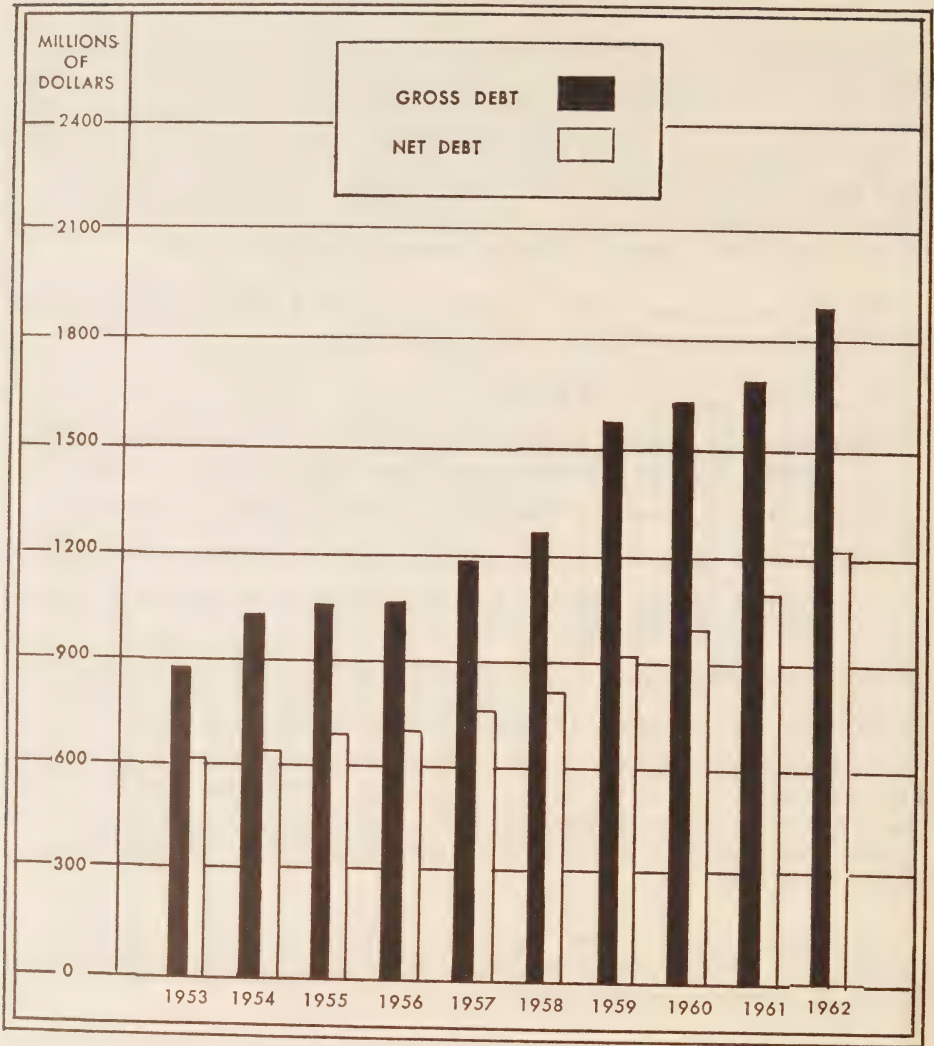
Statements showing details of Treasury Board Orders issued for the authorization of expenditures in excess of appropriations during the fiscal year ended March 31, 1962 and Special Warrants issued during the fiscal year ended March 31, 1962 are submitted in separate sections immediately following the statements referred to above.

I am very pleased to have this opportunity to acknowledge the willing cooperation and effective help of the officials and staff of the various Departments, Boards and Commissions during the conduct of the audit.

H. A. COTNAM, F.C.A.,
Provincial Auditor.

Toronto, November 22, 1962.

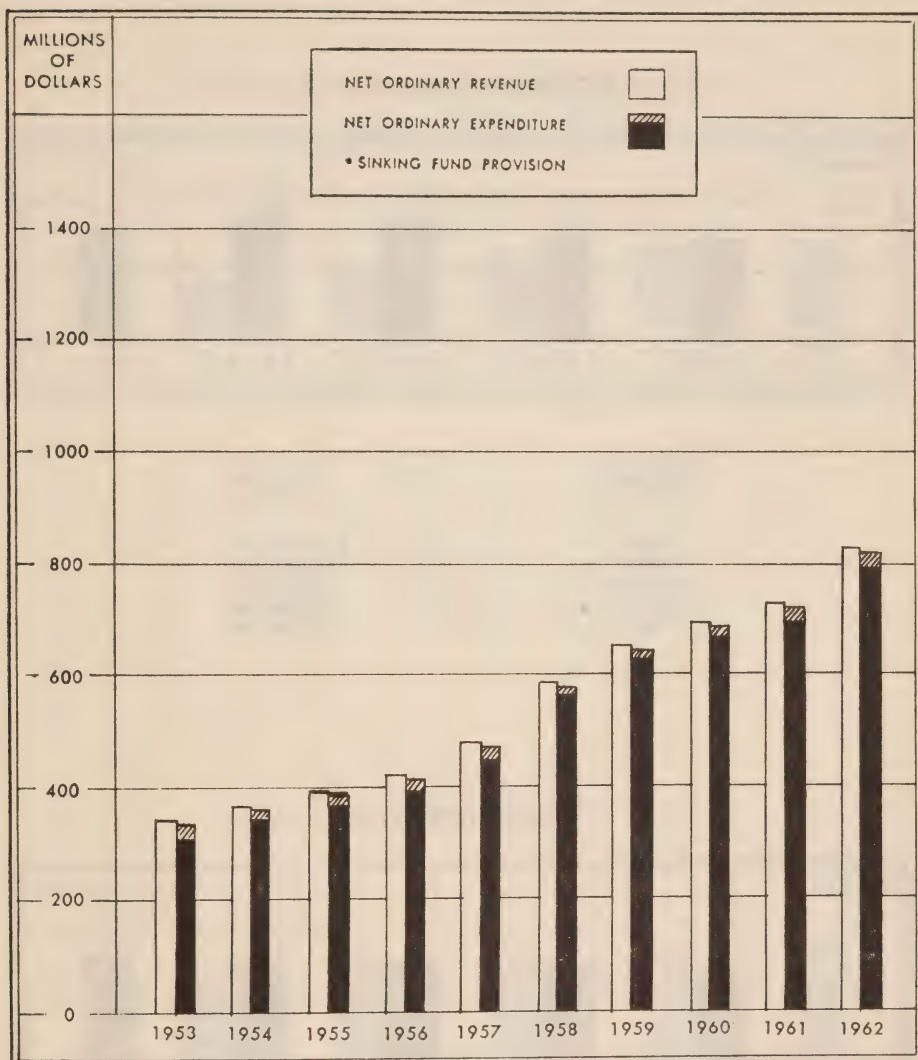
GROSS AND NET DEBT
FOR THE TEN YEARS ENDED MARCH 31, 1962



Gross and Net Debt per Public Accounts

YEAR ENDED MARCH 31	GROSS DEBT	NET DEBT
1953	\$ 884,231,206	\$ 604,832,094
1954	1,035,484,085	629,995,642
1955	1,066,160,741	660,725,169
1956	1,072,409,119	705,306,145
1957	1,196,707,469	758,277,702
1958	1,285,809,989	818,606,441
1959	1,579,113,325	900,532,098
1960	1,642,671,624	993,554,760
1961	1,695,504,283	1,092,616,819
1962	1,884,972,861	1,209,063,700

NET ORDINARY REVENUE AND EXPENDITURE FOR THE TEN YEARS ENDED MARCH 31, 1962

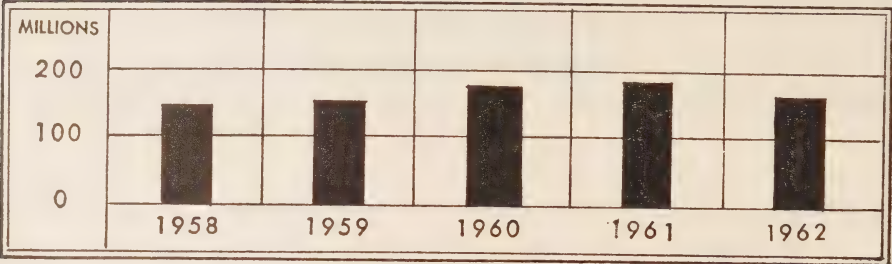
YEAR ENDED
MARCH 31NET ORDINARY
REVENUENET ORDINARY
EXPENDITURE*SINKING FUND
PROVISION

1953	\$ 349,500,385	\$ 348,399,514	\$ 30,859,000
1954	372,973,316	372,040,302	29,945,000
1955	399,393,284	399,249,638	21,536,000
1956	427,969,363	425,464,481	32,630,000
1957	479,783,191	477,978,640	40,729,000
1958	591,849,092	590,983,062	17,833,000
1959	642,374,233	642,070,163	17,941,000
1960	702,469,593	701,605,902	31,054,000
1961	739,391,410	739,000,383	33,822,000
1962	825,352,009	824,849,622	35,802,000

*Included in Net Ordinary Expenditure.

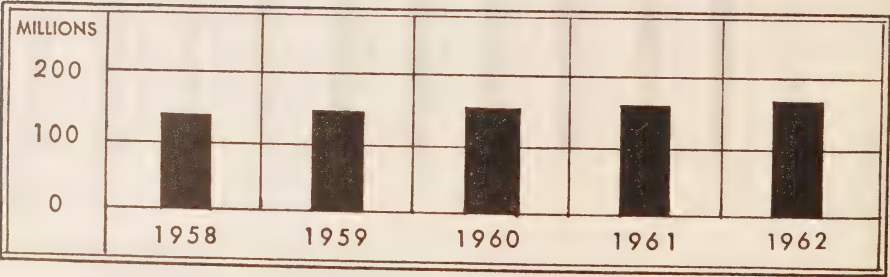
MAJOR ITEMS OF NET
COMPARED FOR THE FIVE

CORPORATIONS TAX



YEAR ENDED MARCH 31	AMOUNT
1958	\$148,015,496
1959	158,783,059
1960	175,850,437
1961	185,667,356
1962	165,854,287

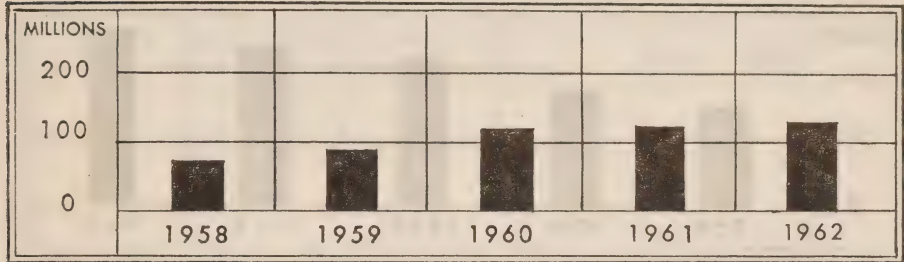
GASOLINE TAX



YEAR ENDED MARCH 31	AMOUNT
1958	\$138,532,259
1959	145,912,609
1960	152,158,907
1961	157,655,684
1962	165,193,317

ORDINARY REVENUE
YEARS ENDED MARCH 31, 1962

INCOME TAX RENTAL AGREEMENT

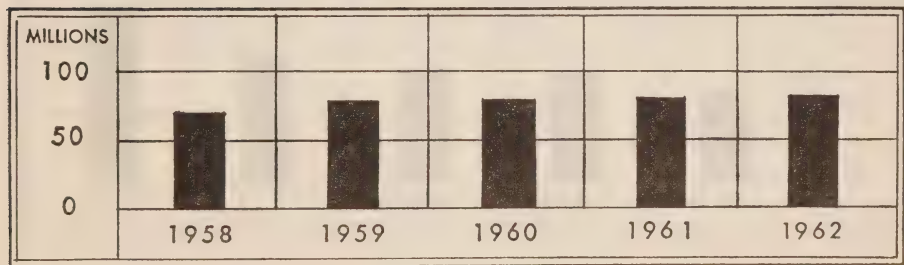


YEAR ENDED
MARCH 31

AMOUNT

1958	.....	\$ 74,379,000
1959	.....	89,928,000
1960	.....	109,605,040
1961	.....	113,791,937
1962	.....	120,651,639

LIQUOR CONTROL REVENUES



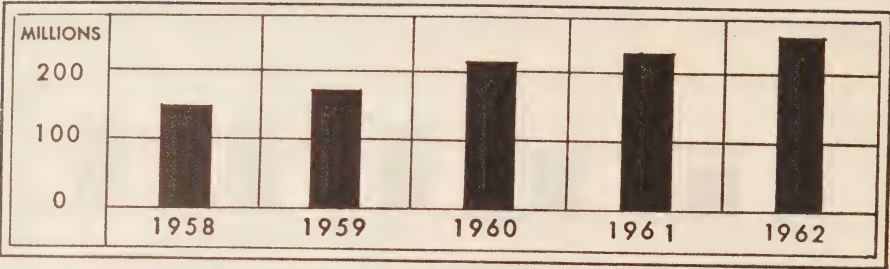
YEAR ENDED
MARCH 31

AMOUNT

1958	.....	\$66,672,601
1959	.....	76,538,570
1960	.....	76,929,164
1961	.....	80,600,000
1962	.....	82,500,000

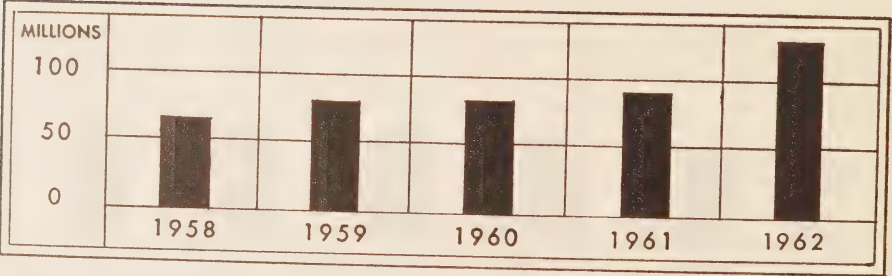
MAJOR ITEMS OF NET
COMPARED FOR THE FIVE

EDUCATION



YEAR ENDED MARCH 31	AMOUNT
1958	\$141,659,812
1959	176,519,991
1960	203,859,896
1961	226,510,583
1962	261,723,044

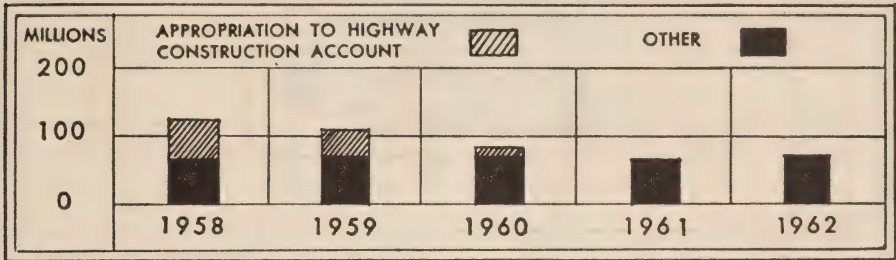
HEALTH SERVICES



YEAR ENDED MARCH 31	AMOUNT
1958	\$65,965,085
1959	76,983,395
1960	83,626,383
1961	88,960,472
1962	130,316,189

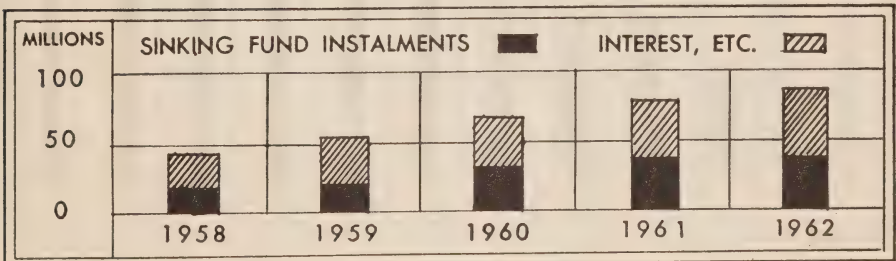
ORDINARY EXPENDITURE
YEARS ENDED MARCH 31, 1962

HIGHWAYS AND ROADS, MAINTENANCE, GRANTS, Etc.



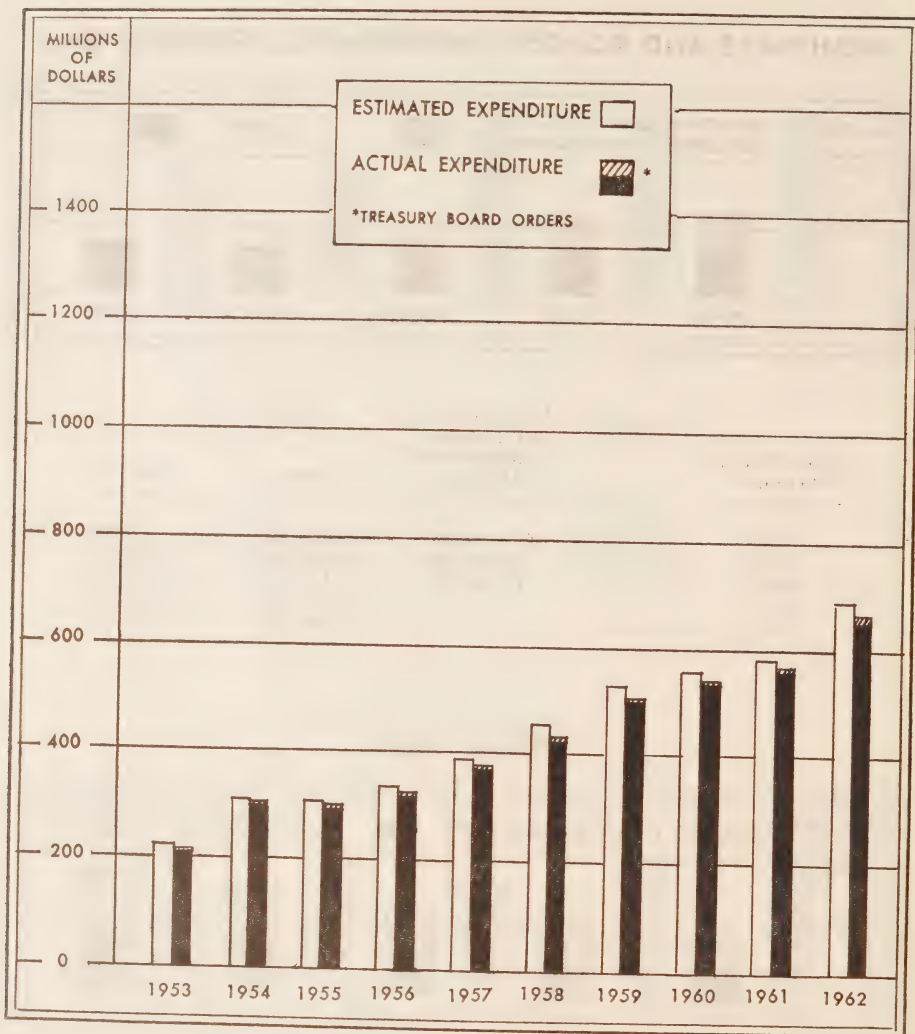
YEAR ENDED MARCH 31	APPROPRIATION TO HIGHWAY CONSTRUCTION ACCOUNT	OTHER	TOTAL
1958	\$57,500,000	\$64,425,985	\$121,925,985
1959	45,000,000	68,226,243	113,226,243
1960	15,000,000	73,193,762	88,193,762
1961 .....	.....	71,563,798	71,563,798
1962 .....	.....	73,665,402	73,665,402

PUBLIC DEBT



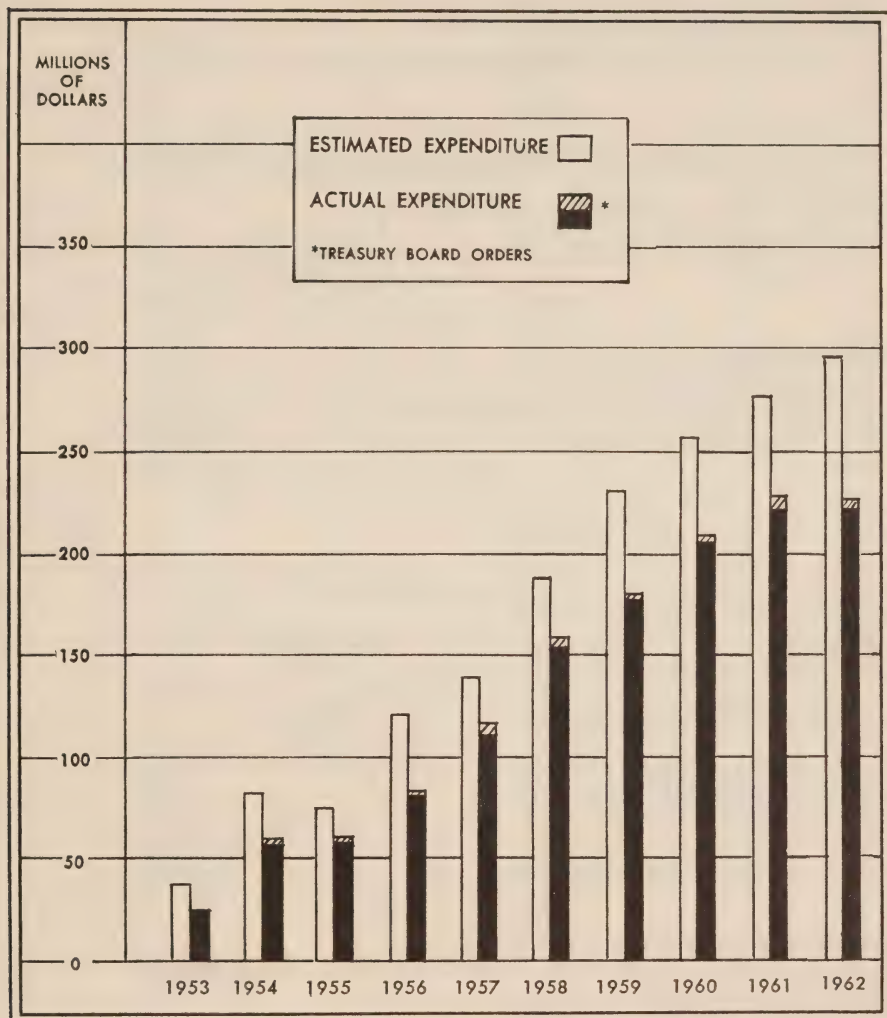
YEAR ENDED MARCH 31	SINKING FUND INSTALMENTS	INTEREST ETC.
1958	\$17,833,000	\$29,125,879
1959	17,941,000	32,343,999
1960	31,054,000	37,156,022
1961	33,822,000	44,410,520
1962	35,802,000	50,313,662

**ESTIMATED NET ORDINARY VOTED EXPENDITURE
COMPARED WITH ACTUAL NET ORDINARY VOTED EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1962**



YEAR ENDED MARCH 31	ESTIMATED NET ORDINARY VOTED EXPENDITURE	ACTUAL NET ORDINARY VOTED EXPENDITURE	TREASURY BOARD ORDERS	TOTAL
1953	\$233,663,600	\$ 222,029,849	\$3,603,567	\$225,633,416
1954	309,184,650	294,917,027	6,155,889	301,072,916
1955	326,586,100	318,382,185	7,564,525	325,946,710
1956	342,382,000	326,780,728	9,171,543	335,952,271
1957	390,372,000	374,572,562	3,268,081	377,840,643
1958	455,108,500	428,260,609	7,020,270	435,280,879
1959	531,676,500	506,037,469	5,075,319	511,112,788
1960	561,796,000	535,551,563	6,385,557	541,937,120
1961	588,203,400	558,082,501	7,842,746	565,925,247
1962	687,030,500	649,736,213	10,573,093	660,309,306

**ESTIMATED NET CAPITAL VOTED EXPENDITURE
COMPARED WITH ACTUAL NET CAPITAL VOTED EXPENDITURE
FOR THE TEN YEARS ENDED MARCH 31, 1962**



YEAR ENDED MARCH 31	ESTIMATED NET CAPITAL VOTED EXPENDITURE	ACTUAL NET CAPITAL VOTED EXPENDITURE	TREASURY BOARD ORDERS	TOTAL
1953	\$ 36,726,000	\$ 23,344,409	\$	\$ 23,344,409
1954	80,076,000	59,124,871	467,471	59,592,342
1955	73,900,000	56,495,391	637,169	57,132,560
1956	122,878,000	83,906,424	2,951	83,909,375
1957	142,008,000	114,315,129	4,956,458	119,271,587
1958	188,044,000	150,851,738	4,594,280	155,446,018
1959	230,810,000	178,876,677	743,400	179,620,077
1960	258,127,000	207,399,300	1,637,177	209,036,477
1961	275,600,000	225,839,595	4,880,319	230,719,914
1962	298,009,000	227,725,859	519,719	228,245,578

SOURCE AND APPLICATION OF FUNDS FOR THE FISCAL YEAR ENDED MARCH 31, 1962

SOURCE OF FUNDS—

Excess of Ordinary Revenue over Ordinary Expenditure.....		\$ 502,387
Add: Items not requiring an outlay of funds—		
Provision for Sinking Fund.....	\$ 35,802,000	
Discount and Exchange on Debentures, written off (net)...	1,739,133	
		<u>37,541,133</u>
Increase in Liabilities:		
Debentures Issued (net of discount).....	\$195,365,000	
Demand Deposits with Province of Ontario Savings Office (net)	1,553,936	
Special Funds—		
Public Service Superannuation and Retirement Funds (net).....	\$ 20,049,130	
Ontario Hospital Services Commission.....	12,202,660	
Other (net).....	54,360	
		<u>32,197,430</u>
		229,116,366
Decrease in Assets:		
Loans and Advances Repaid.....	\$ 9,491,332	
Proceeds from Sinking Fund Investments matured.....	22,621,500	
Uninvested Sinking Fund.....	13,531,246	
Sale of Capital Assets and Recoveries.....	2,072,002	
Other.....	2,853	
		<u>47,718,933</u>
		<u>\$314,878,819</u>

APPLICATION OF FUNDS—

Investment in Physical Assets:		
Highways.....	\$169,572,798	
Mining and Access Roads.....	1,761,954	
		<u>\$171,334,752</u>
Land and Buildings.....	\$ 28,400,416	
Storage Dams and Docks, etc.....	929,780	
		<u>29,330,196</u>
Rural Power Transmission Lines.....	543,984	
Conservation Projects.....	1,413,973	
Special Projects re Townsites.....	6,554	
		<u>\$202,629,459</u>
Less—Financed out of Ordinary Revenue.....	50,000,000	
		<u>\$152,629,459</u>
Increase in Other Assets:		
Cash on Hand and in Banks.....	\$ 34,458,057	
Temporary Investments (net).....	31,600,000	
Loans and Advances:		
Ontario Water Resources Commission.....	\$ 11,418,109	
Other.....	6,858,120	
		<u>18,276,229</u>
Sinking Fund Investments Purchased.....	6,673,000	
		<u>91,007,286</u>
Decrease in Liabilities:		
Debentures Retired through Sinking Fund.....	\$ 65,281,746	
Debentures Retired prior to Maturity.....	495,000	
Debentures Retired at Maturity.....	2,826,254	
Redemption of Sandwich, Windsor and Amherstburg Railway Company Bonds (Previously assumed by Province).....	900,000	
Bequests, Scholarships and Outstanding Cheques (net).....	2,013	
		<u>69,505,013</u>
Repayment to Government of Canada under Tax Rental Agreement, 1952-56..		1,737,061
		<u>\$314,878,819</u>

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1962**

NAME	PURPOSE	PAR VALUE
Acton, Town of	Water, Sewers and Schools \$	545,100.00
Ajax, Town of	Schools	118,500.00
Ajax, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	61,800.00
Alberton, Township of	Schools	103,000.00
Albion, Township of—Board of Trustees of Roman Catholic Separate School Section No. 8	Schools	35,300.00
Alliston, Town of—Board of Trustees of Roman Catholic Separate School	Schools	57,000.00
Amherstburg, Town of	Schools	166,100.00
Ancaster, Township of	Schools	71,000.00
Anderdon and Sandwich West, Townships of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 2 and 8	Schools	35,500.00
Armstrong, Township of—Public School Board of School Section No. 1	Schools	58,500.00
Atikokan, Township of	Water, Sewers and Schools	558,900.00
Aurora, Town of	Water, Sewers and Schools	582,500.00
Aurora, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	37,800.00
Badgerow, Field, Gibbons and Grant, Townships of— Board of Trustees of Roman Catholic Union Sepa- rate School, United Sections Nos. 1; 1, 2 and 4; 1; and 1	Schools	189,900.00
Bala, Town of	Schools	35,200.00
Balfour, Township of	Schools	105,800.00
Bancroft, Village of	Schools	90,000.00
Bancroft, Village of—Board of Trustees of Roman Catholic Separate Schools	Schools	94,400.00
Barrie, City of—Board of Trustees of Roman Catholic Separate School Section No. 12	Schools	66,000.00
Bath, Village of	Water	31,900.00
Baxter, (Unorganized) Township of—Public School Board of School Section No. 2	Schools	36,985.00
Beardmore, Improvement District of—Board of Trustees of Roman Catholic Separate School	Schools	54,900.00
Bertie, Township of	Water	75,000.00
Bicroft, Improvement District of	Water, Sewers and Schools	598,500.00
Bicknell, (Unorganized) Township of—Public School Board of School Section No. 1	Schools	7,000.00
Black River, Township of	Water and Sewers	58,600.00
Blenheim, Township of—Board of Trustees of Roman Catholic Separate School Section No. 21	Schools	39,400.00
Blezard, Township of	Schools	70,500.00
Blind River, Town of	Water, Sewers and Schools	772,065.08
Blind River, Town of—Board of Trustees of Roman Catholic Separate School	Schools	347,800.00
Bolton, Village of	Schools	45,900.00
Bonfield, Township of	Schools	73,800.00
Bothwell, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	40,900.00
Bracebridge, Town of	Water and Schools	561,200.00
Braeside, Village of—Board of Trustees of Roman Catholic Separate Schools	Schools	38,100.00
Brampton, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	101,700.00
Brantford, City of—Board of Trustees of Roman Catholic Separate Schools	Schools	82,600.00
Britton, Wainwright and Zealand—Public School Board of the Township School Area	Schools	87,800.00
Broder, Township of—Public School Board of Section No. 2	Schools	22,800.00
Broder and Dill, Townships of—Board of Public School Trustees, Union School Section No. 1	Schools	111,200.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1962**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Broder and Dill, Townships of—Board of Trustees of Roman Catholic Separate School, United Sections Nos. 1 and 1.....	Schools.....	\$ 80,700.00
Bruce Mines, Town of.....	Schools.....	101,700.00
Brudenell and Lyndock and Radcliffe Union, Townships of—Board of Trustees of Roman Catholic Union Separate Schools, United Sections Nos. 3 and 3.....	Schools.....	17,700.00
Brunel, Township of.....	Schools.....	45,600.00
Burchell Lake, Public School Board of School Section No. 1.....	Schools.....	39,400.00
Burk's Falls, Village of.....	Schools.....	370,800.00
Burlington, Town of.....	Schools.....	851,000.00
Burlington, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	348,000.00
Burlington-Nelson, Board of Management Inter-Urban Area of.....	Water.....	174,000.00
Caledonia, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	33,900.00
Calvert, Township of.....	Water, Sewers and Schools.....	179,500.00
Calvert, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 1 and 4.....	Schools.....	190,000.00
Calvert, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4.....	Schools.....	133,900.00
Capreol, Town of.....	Water and Sewers.....	36,600.00
Carew and Cavell, Townships of—Board of Public School Trustees of Union School Section No. 1.....	Schools.....	28,300.00
Carnarvon, Township of.....	Schools.....	106,300.00
Cartier, (Unorganized) Township of—Board of Trustees of Public School Section No. 1.....	Schools.....	1,900.00
Casgrain, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	33,900.00
Cayuga, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	30,400.00
Chapleau, Township of.....	Sewers.....	182,000.00
Chatham, Township of.....	Water.....	43,100.00
Chelmsford, Town of.....	Water and Schools.....	21,550.00
Chippawa, Village of.....	Water, Sewers and Schools.....	629,400.00
Chippawa, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	104,400.00
Christie, Township of.....	Schools.....	34,580.00
Cobalt, Town of.....	Schools.....	197,500.00
Cobden, Village of.....	Water and Sewers.....	42,400.00
Cobden, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	18,988.00
Cochrane, Town of.....	Sewers.....	66,000.00
Colchester North, Township of.....	Schools.....	84,700.00
Colchester North, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 2 and 5.....	Schools.....	28,500.00
Conger and Cowper, Townships of—Board of Public School Trustees, Union School Section No. 4.....	Schools.....	16,900.00
Conmee, Township of.....	Schools.....	41,100.00
Crystal Beach, Village of.....	Water and Sewers.....	102,600.00
Crystal Beach, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	37,800.00
Dawson Road, Forbes and Goldie, Township School Area of—Public School Board.....	Schools.....	42,900.00
DeRoche, Jarvis, Hodgins, Gaudette and Shields—Public School Board of the Township School Area.....	Schools.....	32,400.00
Dill and Cleland, Townships of—Public School Board of Sections Nos. 3 and 1.....	Schools.....	43,900.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1962**

SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Dorchester South, Yarmouth, Westminster and Dorchester North, Townships of—Board of Trustees of Roman Catholic Separate School, Union Public School Section Nos. 11, 20, 12 and 20.....	Schools.....	\$ 36,100.00
Dorion, Improvement District of.....	Schools.....	36,500.00
Dover, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 3, 7, 9, 13 and 14.....	Schools.....	123,400.00
Dowling, Township of.....	Schools.....	38,800.00
Dowling, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	37,000.00
Draper, Township of.....	Schools.....	57,400.00
Drury, Denison and Graham, United Townships of...	Schools.....	92,200.00
Dryden, Town of.....	Water.....	25,900.00
Dryden and Awrey, Townships of—Board of Public School Trustees of Union School Section Nos. 3; and 1.....	Schools.....	61,700.00
Dungannon, Township of.....	Schools.....	34,600.00
Dymond, Township of.....	Schools.....	51,900.00
Dysart, Guilford, Harburn, Dudley, Harcourt, Bruton, Havelock, Eyre and Clyde, Townships of.....	Schools.....	22,000.00
Eilber, Barker and Devitt, (Unorganized) Townships of—Public School Board of School Section No. 1...	Schools.....	28,800.00
Elliot Lake, Improvement District of.....	Water, Sewers and Schools	7,900,200.00
Elliot Lake, Improvement District of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	584,600.00
Elmvale, Village of.....	Water.....	1,300.00
Essa, Township of.....	Schools.....	37,000.00
Essex, County of.....	Schools.....	286,600.00
Etobicoke, Township of.....	Water and Sewers.....	517,000.00
Etobicoke, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 11 and 15.....	Schools.....	297,000.00
Eton, Aubrey, Wainwright and Van Horne, (Unorganized) Townships of—Public School Board of the Township School Area.....	Schools.....	87,800.00
Faraday, Township of.....	Schools.....	82,800.00
Fisher, (Unorganized) Township of—Board of Trustees of Roman Catholic Separate School Section No. 1...	Schools.....	13,600.00
Fisher and Herrick, Townships of—Board of Public School Trustees of Union School Section No. 1.....	Schools.....	17,300.00
Fonthill, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	112,100.00
Fort Frances, Town of.....	Water and Sewers.....	11,600.00
Fort Frances, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	56,900.00
Freeman, Township of.....	Schools.....	6,000.00
Frontenac, County of.....	Schools.....	683,000.00
Garson, Township of—Board of Trustees of Roman Catholic Separate School Sections Nos. 2 and 3.....	Schools.....	231,200.00
Georgetown, Town of.....	Water, Sewers and Schools	989,800.00
Georgetown, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	155,300.00
Geraldton, Town of.....	Schools.....	180,000.00
Glackmeyer, Township of.....	Schools.....	21,500.00
Gladstone, Bright, Parkinson, Patton and Eley, (Unorganized) Townships of—Board of School Trustees of Township School Area.....	Schools.....	33,900.00
Glencoe, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	17,000.00
Gloucester, Township of.....	Schools.....	128,400.00
Gore Bay, Town of.....	Schools.....	146,100.00
Gorham and Ware, Townships of—Public School Board of the Township School Area.....	Schools.....	52,700.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
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SCHEDULE OF DEBENTURES—*Continued*

NAME	PURPOSE	PAR VALUE
Gould, Wells, Parkinson, and Grassetto—Public School Board of the Township School Area.....	Schools.....	\$ 6,500.00
Grimsby North, Township of.....	Schools.....	25,400.00
Gwillimbury West, Township of.....	Drainage.....	51,230.00
Hagar, Loughrin and Awrey, Townships of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 1 and 2; 1; and 1.....	Schools.....	56,900.00
Haultain, Milner and Nicol—Public School Board of the Township School Area.....	Schools.....	67,400.00
Hawkesbury, Town of.....	Water and Sewers.....	32,000.00
Hearst, Town of.....	Water and Sewers.....	33,000.00
Hensall, Village of.....	Schools.....	94,200.00
Herschel, Township of.....	Schools.....	25,000.00
Hespeler, Town of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	74,800.00
Houghton, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	36,600.00
Ignace, Township of.....	Schools.....	61,300.00
Ingram, (Unorganized) Township of—Board of Trustees of the Township School Area.....	Schools.....	13,400.00
Innisfil, Township of.....	Schools.....	135,400.00
Iron Bridge, Village of.....	Schools.....	8,600.00
Jaffray and Melick, Township of.....	Schools.....	104,900.00
Jaffray and Melick, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3....	Schools.....	78,000.00
Joan and Phyllis, (Unorganized) Townships of—Board of School Trustees of the Township School Area.....	Schools.....	22,800.00
Johnson, Township of.....	Schools.....	40,600.00
Kashabowie, Township of—Public School Board of School Section No. 1.....	Schools.....	22,800.00
Keewatin, Town of.....	Schools.....	297,000.00
Keewatin, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	85,800.00
Kendry, Improvement District of.....	Water and Sewers.....	64,800.00
Kennedy, Brower, Fox and Pyne—Public School Board of the Township School Area.....	Schools.....	34,100.00
King, Township of.....	Drainage.....	18,200.00
Kingston, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	56,900.00
Korah, Township of.....	Water, Sewers and Schools	86,750.00
Korah, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	82,100.00
Korah, Township of—Board of Trustees of Roman Catholic Union Separate School, United School Sections Nos. 3 and 5.....	Schools.....	63,300.00
Lakefield, Village of.....	Water and Schools.....	236,900.00
Lakefield, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	35,300.00
Larder Lake, Township of.....	Schools.....	41,700.00
Lewis, Township of—Board of Trustees of the Public School Section No. 2.....	Schools.....	8,900.00
Lewis and Spragge, Townships of—Board of Public School Trustees, Union School Section No. 2.....	Schools.....	30,800.00
Lion's Head, Village of.....	Schools.....	79,200.00
London, City of.....	Sewers and Schools.....	157,163.01
London, City of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	66,300.00
London, City of—Board of Trustees of Roman Catholic Separate School Section No. 21.....	Schools.....	73,300.00
London, City of—Board of Trustees of Roman Catholic Separate School Section No. 22.....	Schools.....	127,800.00
London, City of—Board of Trustees of Roman Catholic Separate School Section No. 23.....	Schools.....	123,300.00
Long and Striker, Townships of—Board of Trustees of Public School Union Sections Nos. 1; and 1....	Schools.....	50,000.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
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SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Lutterworth, Township of.....	Schools.....	\$ 35,300.00
Lybster and South Marks, (Unorganized) Townships of—Board of School Trustees of the Township School Area.....	Schools.....	17,700.00
Macaulay, Township of.....	Schools.....	75,700.00
Macdonald, Meredith and Aberdeen Additional, Townships of.....	Schools.....	61,000.00
Machin, Township of.....	Schools.....	34,384.28
Madoc, Village of.....	Water and Sewers.....	15,700.00
Maidstone, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	51,700.00
Manitouwadge, Improvement District of.....	Water and Schools.....	1,392,600.00
Manitouwadge, Improvement District of—Board of Trustees of the Township School Area.....	Schools.....	513,700.00
Markdale, Village of.....	Schools.....	32,000.00
Markham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	67,000.00
Marmora, Village of.....	Schools.....	76,300.00
Massey, Town of.....	Schools.....	38,300.00
Matheson, Town of.....	Water, Sewers and Schools.....	77,700.00
Mattawa, Town of.....	Water and Sewers.....	105,800.00
Michipicoten, Township of.....	Schools.....	89,700.00
Middleton, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	45,800.00
Middleton and North Walsingham, Townships of— Board of Trustees of Roman Catholic Union Sepa- rate School, United Sections, Nos. 6 and 22.....	Schools.....	66,500.00
Milton, Town of.....	Sewers and Schools.....	287,300.00
Monmouth, Township of.....	Schools.....	45,700.00
Moore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	12,600.00
Neelon and Garson, United Townships of.....	Water and Schools.....	15,100.00
New Liskeard, Town of.....	Water and Sewers.....	6,100.00
Newmarket, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	109,700.00
Niagara, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	101,700.00
Niagara, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	36,600.00
Nipigon, Township of.....	Sewers.....	71,000.00
North Fredericksburgh, Township of.....	Schools.....	10,500.00
North Gwillimbury, Township of.....	Schools.....	199,200.00
North York, Township of.....	Incinerator, Water and Sewers.....	638,000.00
Oakley, Township of.....	Schools.....	37,800.00
Oakville, Town of.....	Water, Sewers and Schools.....	766,000.00
Oliver, Township of.....	Schools.....	58,500.00
Onaping, Improvement District of.....	Schools.....	77,900.00
Oro, Township of.....	Schools.....	26,700.00
Paipoonge, Township of.....	Schools.....	100,600.00
Parkhill, Town of, and Williams West, Township of— Board of Trustees of Roman Catholic Union Sepa- rate School, United Section No. 10.....	Schools.....	38,000.00
Pelham, Township of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	36,600.00
Pembroke, Township of.....	Schools.....	61,100.00
Penetanguishene, Town of.....	Schools.....	247,000.00
Petawawa, Township of.....	Schools.....	76,400.00
Pic, Township of—Public School Board of Section No. 1.....	Schools.....	61,800.00
Pickering, Township of.....	Schools.....	960,880.95
Pickering, Village of.....	Schools.....	92,100.00
Port Carling, Village of.....	Water.....	14,600.00
Port Credit, Village of.....	Water and Schools.....	234,400.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
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SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Port Credit, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	\$ 114,000.00
Port McNicoll, Village of.....	Water.....	10,100.00
Powassan, Town of.....	Schools.....	310,300.00
Prescott, Town of.....	Schools.....	180,000.00
Prince, Township of.....	Schools.....	44,252.00
Rainy River, Town of.....	Schools.....	123,300.00
Rayside, Township of.....	Schools.....	53,000.00
Redditt, Township of—Public School Board of Section No. 1.....	Schools.....	20,500.00
Red Lake, Township of.....	Schools.....	190,000.00
Red Lake, Improvement District of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	78,600.00
Red Rock, Improvement District of.....	Water, Sewers and Schools.....	8,400.00
Red Rock, Improvement District of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	73,100.00
Renfrew, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	153,800.00
Richmond Hill, Town of.....	Schools.....	255,300.00
Richmond Hill, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	67,800.00
Riverside, Town of.....	Water, Sewers and Schools.....	79,900.00
Riverside, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	420,400.00
Rockland, Town of.....	Water.....	25,100.00
Rodney, Village of, and Aldborough, Township of—Board of Trustees of Roman Catholic Union Separate School for the Village and Section No. 5.....	Schools.....	33,900.00
Ryan, Kincaid and Herrick, Townships of—Board of Public School Trustees, Union School Section Nos. 1, 1 and 2.....	Schools.....	11,600.00
St. Catharines, City of.....	Water and Sewers.....	362,700.00
St. Catharines, City of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	56,200.00
St. Catharines, City of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	101,700.00
St. Catharines, City of—Board of Trustees of Roman Catholic Separate School Section No. 8.....	Schools.....	33,900.00
St. Clair Beach, Village of.....	Water, Sewers and Schools.....	96,300.00
St. Clair Beach, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	38,000.00
St. Thomas, City of—Board of Trustees of Roman Catholic Separate School Section No. 18.....	Schools.....	108,600.00
Salter, May and Harrow, Townships of.....	Schools.....	74,850.25
Saltfleet, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	151,000.00
Sandwich East, Township of.....	Water, Sewers and Schools.....	694,159.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	66,825.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 3.....	Schools.....	8,000.00
Sandwich East, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	36,600.00
Sandwich South, Township of.....	Schools.....	29,200.00
Sandwich South, Township of—Board of Trustees of Roman Catholic Separate School Section No. 20.....	Schools.....	68,500.00
Sandwich West, Township of.....	Water, Sewers and Schools.....	1,074,615.00
Sandwich West, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	68,500.00
Sandwich West, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 2, 3, 4, 7 and 9.....	Schools.....	668,600.00
Sault Ste. Marie, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	198,300.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
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SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Savant Lake—Public School Board of School Section No. 1	Schools	\$ 11,400.00
Schreiber, Township of	Water	20,000.00
Schreiber, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1	Schools	20,300.00
Seneca, Township of—Board of Trustees of Roman Catholic Separate School Section No. 11	Schools	18,200.00
Shebandowan—Public School Board of School Section No. 1	Schools	22,800.00
Shedden, Township of—Public School Board of Section No. 1	Schools	65,200.00
Shedden, Township of—Board of Trustees of Roman Catholic Separate School	Schools	146,600.00
Sherwood, Jones and Burns, Townships of	Schools	31,700.00
Sidney, Township of—Board of Trustees of Roman Catholic Separate School Section No. 11	Schools	16,900.00
Sioux Lookout, Town of	Water and Sewers	160,500.00
Sioux Lookout, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	90,200.00
Sioux Narrows, Improvement District of—Board of Trustees of the Roman Catholic Separate Schools	Schools	75,000.00
South River, Village of	Water	64,000.00
Sprague, Township of—Public School Board of Section No. 1	Schools	54,900.00
Stafford, Township of	Schools	33,200.00
Stamford, Township of	Water	732,000.00
Stamford, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 3, 4, 5 and 6	Schools	109,700.00
Stamford, Township of—Board of Trustees of Roman Catholic Union Separate School, United Sections Nos. 4, 5 and 6	Schools	88,200.00
Stamford, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7	Schools	100,500.00
Stisted, Township of	Schools	37,100.00
Stouffville, Village of	Sewers	423,700.00
Strathroy, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	14,300.00
Streetsville, Village of	Schools	90,000.00
Strong, Township of	Schools	169,100.00
Sturgeon Falls, Town of	Schools	203,100.00
Sudbury, City of	Water, Sewers and Schools	1,833,000.00
Sudbury, City of—Board of Trustees of Roman Catholic Separate Schools	Schools	255,100.00
Sundridge, Village of	Schools	83,800.00
Sunnidale, Township of	Schools	53,000.00
Sutton, Village of	Water	259,100.00
Tarentorus, Township of	Water, Sewers and Schools	269,900.00
Tarentorus, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4	Schools	80,700.00
Tay, Township of	Water	54,900.00
Teck, Township of	Water	157,157.89
Thamesville, Village of—Board of Trustees of Roman Catholic Separate Schools	Schools	42,700.00
Thessalon, Town of	Schools	124,960.00
Thessalon, Township of	Schools	80,500.00
Thorold, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	172,200.00
Timmins, Town of	Sewers	55,900.00
Timmins, Town of—Board of Trustees of Roman Catholic Separate Schools	Schools	553,500.00
Tisdale, Township of	Water and Sewers	319,600.00
Toronto, Township of	Water, Sewers and Schools	1,554,600.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1	Schools	94,400.00

**DEBENTURES OF ONTARIO MUNICIPALITIES AND SCHOOL BOARDS
HELD BY THE ONTARIO MUNICIPAL IMPROVEMENT CORPORATION
AS AT MARCH 31, 1962**

SCHEDULE OF DEBENTURES—Continued

NAME	PURPOSE	PAR VALUE
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 2.....	Schools.....	\$ 73,200.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 4.....	Schools.....	162,700.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 5.....	Schools.....	121,800.00
Toronto, Township of—Board of Trustees of Roman Catholic Separate School Section No. 7.....	Schools.....	67,000.00
Toronto Gore, Township of—Board of Trustees of Roman Catholic Separate School Section No. 6....	Schools.....	33,900.00
Trafalgar, Township of.....	Sewers and Schools.....	702,000.00
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 13.....	Schools.....	150,600.00
Trafalgar, Township of—Board of Trustees of Roman Catholic Separate School Section No. 18.....	Schools.....	125,600.00
Twenty-Seven and Twenty-Eight, Townships of—Board of Trustees of Roman Catholic Separate School, Union School Section No. 1.....	Schools.....	37,900.00
Upsala, Township School Area of—Public School Board.....	Schools.....	36,600.00
Vaughan, Township of—Board of Trustees of Roman Catholic Separate School Section No. 25.....	Schools.....	75,900.00
Vermilion Additional, Drayton, Jordan and Vermilion, Townships of—Board of Public School Trustees, Union School Sections Nos. 1; 2; 1; and 1.....	Schools.....	96,900.00
Vespra, Township of.....	Schools.....	45,400.00
Wabigoon and Redvers, Township of—Board of Public School Trustees of Union School Sections Nos. 2 and 3.....	Schools.....	100,000.00
Wallaceburg, Town of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	84,700.00
Waterford, Village of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	21,800.00
Waters, Township of.....	Schools.....	192,800.00
Webbwood, Town of.....	Schools.....	34,200.00
Welland, City of—Board of Trustees of Roman Catholic Separate School Section No. 9.....	Schools.....	105,800.00
West Ferris, Township of.....	Water, Sewers and Schools	653,900.00
Westminster, Township of—Board of Trustees of Roman Catholic Separate School Section No. 17....	Schools.....	38,000.00
Whitney, Township of.....	Sewers.....	22,100.00
Wicksteed, Township of.....	Schools.....	42,000.00
Wicksteed, Township of—Board of Trustees of Roman Catholic Separate School Section No. 1.....	Schools.....	95,000.00
Widdfield, Township of.....	Water.....	30,700.00
Windsor, City of.....	Water.....	900,000.00
Windsor, City of—Board of Trustees of Roman Catholic Separate Schools.....	Schools.....	957,100.00
Wollaston, Township of.....	Schools.....	39,000.00
Woodbridge, Village of.....	Water and Schools.....	154,600.00
Wyoming, Village of—Board of Trustees of Roman Catholic Separate School.....	Schools.....	33,900.00
Zealand, (Unorganized) Township of—Public School Board of School Section No. 1.....	Schools.....	95,500.00
		<u>\$54,537,595.46</u>

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
REVENUE FOR THE FISCAL YEAR APRIL 1, 1961 TO MARCH 31, 1962**

DEPARTMENT	NET INTERIM ORDINARY REVENUE	NET ACTUAL ORDINARY REVENUE	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 1,631,000	\$ 1,614,701	\$	\$ 16,299
Attorney General.....	7,290,000	8,592,026	1,302,026	
Economics and Development.....	663,000	673,374	10,374	
Education.....	2,853,000	2,725,287		127,713
Energy Resources.....	399,000	407,709	8,709	
Health.....	1,414,000	1,498,200	84,200	
Highways.....	1,522,000	1,541,703	19,703	
Insurance.....	632,000	752,541	120,541	
Labour.....	1,091,000	1,140,016	49,016	
Lands and Forests.....	21,200,000	21,361,245	161,245	
Mines.....	13,458,000	16,716,507	3,258,507	
Municipal Affairs.....	307,000	311,144	4,144	
Prime Minister.....		45	45	
Provincial Secretary and Citizenship..	2,397,000	2,419,127	22,127	
Public Welfare.....	9,000	9,399	399	
Public Works.....	972,000	978,070	6,070	
Reform Institutions.....	707,000	750,412	43,412	
Transport.....	69,500,000	70,304,855	804,855	
Travel and Publicity.....	291,000	293,525	2,525	
Treasury:				
Main Office—				
Subsidy.....	3,641,000	4,624,070	983,070	
Interest.....	71,000	71,136	136	
Miscellaneous.....		16,458	16,458	
Ontario Racing Commission.....	131,000	147,766	16,766	
The Liquor Control Board of Ontario—				
Profits, etc.....	82,600,000	82,500,000		100,000
Public Utilities Tax.....	600,000	651,465	51,465	
Water Power Rentals.....	5,650,000	5,697,312	47,312	
Comptroller of Revenue—				
Income Tax Rental Agreement..	120,650,000	120,651,639	1,639	
Corporations Tax.....	166,000,000	165,854,287		145,713
Succession Duty.....	40,000,000	40,397,222	397,222	
Retail Sales Tax.....	76,000,000	78,746,682	2,746,682	
Gasoline Tax.....	164,000,000	165,193,317	1,193,317	
Motor Vehicle Fuel Tax.....	7,400,000	7,603,060	203,060	
Hospitals Tax.....	4,300,000	4,379,848	79,848	
Race Tracks Tax.....	6,156,000	6,157,175	1,175	
Security Transfer Tax.....	3,400,000	3,534,875	134,875	
Land Transfer Tax.....	3,700,000	3,709,969	9,969	
Law Stamps.....	1,221,000	1,221,213	213	
Logging Tax.....	1,835,000	2,094,386	259,386	
Miscellaneous.....		1,318	1,318	
Total for Treasury.....	\$687,355,000	\$693,253,198	\$ 6,143,911	\$ 245,713
Stationery Account.....		8,925	8,925	
	<u>\$813,691,000</u>	<u>\$825,352,009</u>	<u>\$12,050,734</u>	<u>\$ 389,725</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1961, TO MARCH 31, 1962**

DEPARTMENT	NET INTERIM ORDINARY EXPENDITURE	NET ACTUAL ORDINARY EXPENDITURE	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 16,364,000	\$ 16,280,048	\$	\$ 83,952
Attorney General.....	22,656,000	22,482,573		173,427
Economics and Development.....	4,162,000	4,157,185		4,815
Education.....	268,915,000	261,723,044		7,191,956
Energy Resources.....	706,000	665,357		40,643
Health.....	131,720,000	130,316,189		1,403,811
Highways.....	71,655,000	73,665,402	2,010,402	
Insurance.....	449,000	434,001		14,999
Labour.....	3,454,000	3,251,779		202,221
Lands and Forests.....	27,905,000	26,606,121		1,298,879
Lieutenant Governor.....	21,000	20,215		785
Mines.....	1,850,000	1,778,421		71,579
Municipal Affairs.....	40,015,000	39,530,432		484,568
Prime Minister.....	179,000	164,116		14,884
Provincial Auditor.....	464,000	461,860		2,140
Provincial Secretary and Citizenship..	3,710,000	3,704,462		5,538
Public Welfare.....	55,102,000	54,447,146		654,854
Public Works.....	11,442,000	11,221,089		220,911
Reform Institutions.....	14,118,000	14,119,596	1,596	
Transport.....	5,232,000	5,189,141		42,859
Travel and Publicity.....	2,124,000	2,107,153		16,847
Treasury.....	16,559,000	16,408,630		150,370
	<u>\$698,802,000</u>	<u>\$688,733,960</u>	<u>\$ 2,011,998</u>	<u>\$12,080,038</u>
Public Debt:				
Interest, etc.....	50,655,000	50,313,662		341,338
Provision for Sinking Fund.....	35,802,000	35,802,000		
	<u>\$785,259,000</u>	<u>\$774,849,622</u>	<u>\$ 2,011,998</u>	<u>\$12,421,376</u>
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	28,000,000	50,000,000	22,000,000	
	<u>\$813,259,000</u>	<u>\$824,849,622</u>	<u>\$24,011,998</u>	<u>\$12,421,376</u>

*9 months' actual—3 months' forecast.

COMPARATIVE SUMMARY

**NET INTERIM* AND ACTUAL ORDINARY REVENUE AND ORDINARY
EXPENDITURE FOR THE FISCAL YEAR APRIL 1, 1961, TO MARCH 31, 1962**

	INTERIM	ACTUAL	ACTUAL TO INTERIM
Net Ordinary Revenue.....	<u>\$813,691,000</u>	<u>\$825,352,009</u>	<u>\$11,661,009</u>
Less: Net Ordinary Expenditure (before items below).....	<u>\$749,457,000</u>	<u>\$739,047,622</u>	<u>\$10,409,378</u>
Provision for Sinking Fund.....	35,802,000	35,802,000	
Capital Disbursements on Highways, Public Works, etc., financed out of Ordinary Revenue.....	28,000,000	50,000,000	22,000,000
Net Ordinary Expenditure.....	<u>\$813,259,000</u>	<u>\$824,849,622</u>	<u>\$11,590,622</u>
Surplus.....	<u>\$ 432,000</u>	<u>\$ 502,387</u>	<u>\$ 70,387</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL
RECEIPTS FOR THE FISCAL YEAR APRIL 1, 1961, TO MARCH 31, 1962**

DEPARTMENT	NET INTERIM CAPITAL RECEIPTS	NET ACTUAL CAPITAL RECEIPTS	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Economics and Development.....	\$ 1,350,000	\$ 1,507,665	\$ 157,665	\$
Education.....	285,000	331,922	46,922	
Highways.....	630,000	623,755		6,245
Labour.....	9,500,000	9,052,048		447,952
Lands and Forests.....	650,000	644,859		5,141
Mines.....	25,000	40,682	15,682	
Public Welfare.....		22,203	22,203	
Public Works.....	102,000	794,686	692,686	
Transport.....	5,400,000	4,347,026		1,052,974
Treasury.....	73,162,000	85,954,894	12,792,894	
	<u>\$ 91,104,000</u>	<u>\$103,319,740</u>	<u>\$13,728,052</u>	<u>\$1,512,312</u>

*9 months' actual—3 months' forecast.

**COMPARATIVE STATEMENT OF NET INTERIM* AND ACTUAL CAPITAL
DISBURSEMENTS FOR THE FISCAL YEAR APRIL 1, 1961, TO MARCH 31, 1962**

DEPARTMENT	NET INTERIM CAPITAL DISBURSE- MENTS	NET ACTUAL CAPITAL DISBURSE- MENTS	ACTUAL TO INTERIM	
			INCREASE	DECREASE
Agriculture.....	\$ 600,000	\$ 538,300	\$	\$ 61,700
Economics and Development.....	2,000,000	1,814,119		185,881
Education.....	2,000,000	1,866,460		133,540
Energy Resources.....	500,000	543,984	43,984	
Highways.....	175,520,000	169,572,798		5,947,202
Labour.....	10,000,000	9,923,525		76,475
Lands and Forests.....	1,970,000	1,413,974		556,026
Mines.....	1,550,000	1,761,954	211,954	
Municipal Affairs.....	607,000	596,554		10,446
Ontario Water Resources Commission.....	14,000,000	11,418,109		2,581,891
Public Welfare.....		9,589	9,589	
Public Works.....	31,975,000	29,330,195		2,644,805
Transport— Unsatisfied Judgment Fund.....	2,800,000	3,137,969	337,969	
Treasury.....	13,826,000	12,734,662		1,091,338
	<u>\$257,348,000</u>	<u>\$244,662,192</u>	<u>\$ 603,496</u>	<u>\$13,289,304</u>
Less: Financed out of Ordinary Revenue.....	28,000,000	50,000,000	22,000,000	
	<u>\$229,348,000</u>	<u>\$194,662,192</u>	<u>\$21,396,504</u>	<u>\$13,289,304</u>

*9 months' actual—3 months' forecast.

TREASURY BOARD ORDERS

STATEMENT OF TREASURY BOARD ORDERS ISSUED FOR THE AUTHORIZATION OF EXPENDITURES IN EXCESS OF APPROPRIATIONS DURING THE FISCAL YEAR ENDED MARCH 31, 1962

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Agriculture		
Mar. 8, 1962	Main Office: Salaries.....	19,000.00	18,994.36
Oct. 10, 1961	Removal Expenses of Officials in the Public Service		
Mar. 8, 1962	Order..... \$6,000.00 Order..... 1,000.00	7,000.00	6,861.23
April 9, 1962	Exhibits—Services and Expenses.....	3,400.00	3,242.24
Dec. 28, 1961	Agricultural and Horticultural Societies Branch: Grants under The Community Centres Act.....	100,000.00	99,766.28
Mar. 8, 1962	Dairy Branch: Salaries.....	4,800.00	4,647.72
Feb. 5, 1962	Extension Branch: Salaries.....	3,600.00	3,557.80
Feb. 5, 1962	Promotion of Junior Farmer Work.....	25,000.00	24,865.41
	Home Economics Service: Salaries:		
Mar. 27, 1962	Order..... \$16,000.00		
April 16, 1962	Order..... 2,900.00	18,900.00	18,077.75
Mar. 8, 1962	Farm Economics and Statistics Branch: Salaries.....	26,100.00	23,880.44
Mar. 27, 1962	Field Crops Branch: Administration of The Weed Control Act, The Seed Potatoes Act, Improvement Work, etc....	10,000.00	9,581.59
April 9, 1962	Information Branch: Expenses in connection with the preparation and distribution of information, including printing of reports, etc.....	15,000.00	14,987.54
Mar. 27, 1962	Live Stock Branch: Salaries.....	5,000.00	4,744.88
Mar. 27, 1962	Travelling Expenses.....	6,000.00	5,938.33
Mar. 27, 1962	Educational and Demonstration Work, etc.....	24,000.00	22,810.12
Nov. 13, 1961	Markets Branch: Travelling Expenses.....	4,000.00	2,214.99
April 16, 1962	Administration and enforcement of The Plant Diseases Act and The Farm Products Grades and Sales Act, etc.....	3,500.00	2,883.79
Nov. 13, 1961	Marketing Development Branch: Salaries.....	8,250.00	8,124.87
Nov. 13, 1961	Travelling Expenses.....	4,000.00	3,428.51
Mar. 27, 1962	Demonstration Farm, New Liskeard: Salaries.....	2,000.00	1,816.48

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Agriculture—Continued		
Oct. 10, 1961	Strathclair Farm, Sault Ste. Marie: Maintenance, Wages, Equipment, etc.....	5,000.00	2,012.84
Mar. 27, 1962	Horticultural Experiment Station, Vineland: Salaries.....	27,000.00	26,165.43
April 9, 1962	Sub-Station, Simcoe: Expenses.....	900.00	894.51
Mar. 27, 1962	Western Ontario Agricultural School and Experimental Farm, Ridgetown: Salaries.....	9,000.00	7,384.02
April 9, 1962	Ontario Telephone Service Commission: Salaries.....	1,600.00	1,566.16
		333,050.00	318,447.29
	Department of Attorney General		
Mar. 8, 1962	Main Office: Salaries.....	23,000.00	19,858.42
Dec. 19, 1961	Maintenance.....	15,000.00	14,930.01
Nov. 13, 1961	Crown Counsel Prosecutions.....	40,000.00	33,645.95
Oct. 18, 1961	General Litigations and Legal Services: Order..... \$5,000.00		
Mar. 8, 1962	Order..... 2,000.00	7,000.00	6,992.33
Oct. 31, 1961	Commissions and Sundry Investigations.....	7,000.00	5,716.47
Mar. 8, 1962	Workmen's Compensation Board—Awards and Costs.....	300.00	147.96
Jan. 29, 1962	Law Library.....	1,200.00	1,198.54
Aug. 8, 1961	Royal Commissions: Order..... \$40,000.00		
Mar. 8, 1962	Order..... 20,000.00	60,000.00	56,431.92
Oct. 10, 1961	Supreme Court Reporters: Salaries.....	12,000.00	10,427.01
Nov. 7, 1961	Laboratory: Salaries.....	33,000.00	24,293.24
Nov. 7, 1961	Maintenance.....	20,000.00	19,995.15
Nov. 27, 1961	Ontario Securities Commission: Maintenance.....	2,000.00	1,983.27
Mar. 8, 1962	Inspector of Legal Offices: Salaries: Local Masters of Titles and Registrars of Deeds.....	6,000.00	5,884.71
Mar. 8, 1962	Sheriffs, etc.....	11,000.00	840.55
Oct. 18, 1961	County and District Offices—Maintenance: Order..... \$63,500.00		
Mar. 8, 1962	Order..... 35,000.00	98,500.00	88,566.33
Mar. 8, 1962	Criminal Justice Accounts: Salaries—District Treasurers and Court Reporters.....	6,100.00	6,051.12
June 20, 1961	Grant to Legal Aid Fund, Law Society of Upper Canada.....	15,000.00	15,000.00
Aug. 8, 1961	Ontario Provincial Police: Salaries: Order..... \$90,000.00		
Mar. 27, 1962	Order..... 55,000.00	145,000.00	123,874.69

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Attorney General—Continued				
	Ontario Provincial Police—Continued				
	Maintenance:				
Aug. 8, 1961	Order.....	\$60,000.00			
Mar. 27, 1962	Order.....	30,000.00			
Mar. 27, 1962	Radio Communicating System.....	90,000.00		89,416.94	
		15,000.00		8,629.52	
	Official Guardian's Office:				
	Matrimonial Causes Section:				
Mar. 19, 1962	Special Services—Children's Aid Societies.....	3,000.00		176.85	
	Emergency Measures Branch:				
Mar. 27, 1962	Salaries.....	4,000.00		2,916.67	
Jan. 29, 1962	Maintenance.....	14,250.00		7,041.03	
		628,350.00		544,018.68	
	Department of Economics and Development				
	Economics, Main Office:				
Sept. 26, 1961	Fees and Expenses for Special Studies and Research.....	45,000.00		43,931.84	
	Housing Branch:				
Jan. 29, 1962	Salaries.....	6,000.00		5,980.19	
Oct. 31, 1961	Travelling Expenses.....	4,000.00		3,221.96	
	Ontario-St. Lawrence Development Commission:				
	Operation of Parks and Historic Sites:				
Sept. 14, 1961	Order.....	\$65,000.00			
Feb. 5, 1962	Order.....	26,000.00			
Sept. 14, 1961	Construction.....	91,000.00		90,950.12	
		152,000.00		151,962.94	
	Industrial Development Branch:				
Jan. 9, 1962	Travelling Expenses.....	6,000.00		5,426.53	
Jan. 9, 1962	Chicago Branch Office—Administration Expenses, etc.....	3,000.00		1,345.40	
		307,000.00		302,818.98	
	Department of Education				
	Main Office and General Departmental Expenses:				
Dec. 11, 1961	Maintenance.....	25,000.00		6,152.78	
	Secondary Education Branch:				
Dec. 4, 1961	Maintenance.....	5,000.00		3,776.34	
	Technical Institutes:				
Mar. 19, 1962	Salaries.....	100,000.00		96,470.16	
Dec. 11, 1961	Travelling Expenses.....	3,500.00		802.13	
Mar. 19, 1962	Instructional Supplies.....	47,000.00		46,997.28	
	Curriculum and Text Books Branch:				
Dec. 4, 1961	Revision of Courses—Services, Travelling Expenses, etc.....	60,000.00		41,139.86	
	Dominion-Provincial Agreements:				
Jan. 3, 1962	Services, Expenses, etc.....	1,650,000.00		1,089,635.12	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Education—Continued		
Nov. 20, 1961	Legislative Grants, etc.: Programmes of Recreation—Community Pro- grammes.....	15,000.00	1,887.49
Feb. 26, 1962	Miscellaneous Grants.....	38,000.00	27,700.00
Oct. 3, 1961	Grants to Provincial and Other Universities: Lakehead College of Arts, Science and Technology.	538,288.52	538,288.52
		2,481,788.52	1,852,849.68
	Department of Energy Resources		
June 6, 1961	Main Office:		
Jan. 15, 1962	Maintenance.....	5,000.00	4,984.73
	Boards of Arbitration.....	5,000.00	1,241.62
June 6, 1961	Inspection Services:		
June 6, 1961	Salaries.....	55,500.00	49,381.94
	Maintenance.....	20,000.00	19,983.37
		85,500.00	75,591.66
	Department of Health		
Dec. 28, 1961	Main Office:		
Sept. 19, 1961	Travelling Expenses.....	10,000.00	9,984.10
Sept. 19, 1961	Medical and Other Research:		
Nov. 27, 1961	Services and Expenses.....	11,500.00	2,760.00
Jan. 15, 1962	Workmen's Compensation Board—Awards and Costs excluding Mental Health Branch.....	4,000.00	3,432.75
	Unemployment Insurance Stamps.....	500.00	38.92
Feb. 5, 1962	Cancer Control: Expenses under The Cancer Remedies Act: Commissioners' Honoraria.....	2,000.00	2,000.00
Jan. 15, 1962	Dental Service Branch:		
Jan. 15, 1962	Salaries.....	3,500.00	3,406.36
	Grants for School Dental Services.....	15,000.00	12,700.49
Mar. 12, 1962	Medical Rehabilitation Branch:		
Mar. 12, 1962	Salaries.....	11,700.00	11,105.82
	Maintenance.....	18,000.00	17,988.81
Oct. 10, 1961	Mental Health Branch: Expenses in connection with Conventions held at various Institutions.....	1,500.00	432.35
		77,700.00	63,849.60
	Department of Labour		
Mar. 8, 1962	Main Office:		
Mar. 8, 1962	Salaries.....	16,000.00	10,833.45
	Maintenance.....	5,000.00	4,979.66
Mar. 19, 1962	Conciliation Boards (Commissions, etc.):		
April 9, 1962	Order.....	\$20,000.00	
	Order.....	10,000.00	
Jan. 15, 1962	Advertising, Investigations, etc.....	30,000.00	26,211.09
		10,000.00	7,491.50

DATE OF ORDER	SERVICE	AUTHORIZED		EXPENDED	
		\$	c.	\$	c.
	Department of Labour—Continued				
	Main Office—Continued				
	Workmen's Compensation Board—Awards and Costs:				
June 13, 1961	Order.....	\$4,000.00			
Mar. 8, 1962	Order.....	1,000.00			
			5,000.00	4,565.37	
	Industry and Labour Board:				
Mar. 5, 1962	Salaries.....	10,000.00		8,011.16	
Mar. 5, 1962	Travelling Expenses.....	3,000.00		1,284.29	
	Engineering Services Branch:				
Mar. 8, 1962	Salaries.....	8,000.00		6,214.89	
	Minimum Wage Branch:				
Mar. 8, 1962	Salaries.....	1,500.00		979.27	
	Labour Relations Board:				
Mar. 8, 1962	Salaries.....	8,000.00		7,565.63	
Mar. 19, 1962	Per Session Allowances (Board Members).....	3,000.00		2,025.00	
	Maintenance:				
Mar. 8, 1962	Order.....	\$10,000.00			
April 9, 1962	Order.....	5,000.00			
			15,000.00	14,966.02	
	Office of Athletics Commissioner:				
Jan. 15, 1962	Assistance to Amateur Sport.....	8,000.00		7,872.52	
			122,500.00	102,999.85	
	Department of Lands and Forests				
	Main Office:				
Jan. 29, 1962	Damages and Other Claims, Sundry Contingencies, Awards, etc.....	5,300.00		2,034.27	
Mar. 8, 1962	Unemployment Insurance Stamps.....	8,000.00		4,950.35	
	Field Services:				
	Extra Fire Fighting:				
Aug. 22, 1961	Wages, Expenses, Maintenance and Operating.....	1,500,000.00		1,491,899.21	
Mar. 8, 1962	Forest Fire Suppression Equipment.....	125,000.00		98,208.01	
	Air Service Branch:				
Mar. 8, 1962	Salaries.....	25,000.00		16,278.00	
Mar. 8, 1962	Maintenance and Operating.....	23,000.00		13,958.71	
	Parks Improvements:				
Nov. 13, 1961	Acquisition of Land, Construction of Buildings, etc.....	400,000.00		187,249.18	
			2,086,300.00	1,814,577.73	
	Department of Mines				
	Geological Branch:				
Dec. 19, 1961	Salaries.....	10,000.00		8,053.88	
	Mines Inspection Branch:				
	Salaries:				
April 9, 1962	Order.....	\$ 600.00			
April 24, 1962	Order.....	1,025.00			
			1,625.00	1,609.94	
	Laboratories Branch:				
April 2, 1962	Salaries.....	5,200.00		4,752.60	
			16,825.00	14,416.42	

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Municipal Affairs		
April 16, 1962	Main Office: Travelling Expenses	3,000.00	2,993.22
Dec. 28, 1961	Maintenance: Order \$10,000.00		
April 9, 1962	Order 22,500.00	32,500.00	31,188.78
April 16, 1962	Ontario Municipal Board: Maintenance	6,500.00	5,284.69
Mar. 8, 1962	Ontario Water Resources Commission: Travelling Expenses	11,000.00	7,398.47
Mar. 8, 1962	Maintenance	50,000.00	39,902.30
		103,000.00	86,767.46
	Department of Prime Minister		
Oct. 18, 1961	Main Office: Travelling Expenses	5,000.00	4,912.21
	Department of Provincial Secretary and Citizenship		
Mar. 19, 1962	Main Office: Maintenance	20,000.00	19,888.51
Nov. 20, 1961	Workmen's Compensation Board—Awards and Costs	700.00	643.70
Mar. 19, 1962	Government Hospitality Fund	20,000.00	15,998.59
Mar. 12, 1962	Office of the Speaker: Salaries	2,500.00	2,298.12
Mar. 12, 1962	Travelling Expenses	900.00	856.00
Mar. 12, 1962	Maintenance	1,000.00	738.24
Mar. 12, 1962	Clerk of the Legislative Assembly and Chief Election Officer: Salaries	4,000.00	3,693.11
Mar. 12, 1962	Travelling Expenses	400.00	325.99
Mar. 12, 1962	Maintenance	1,000.00	992.52
Mar. 19, 1962	Queen's Printer: Ontario Gazette	10,000.00	9,950.05
Mar. 12, 1962	Registrar General's Branch: Salaries	8,000.00	5,477.22
April 9, 1962	Sessional Requirements: Stationery, including Printing Paper, etc.	25,000.00	18,290.54
Nov. 20, 1961	Committee Fees, etc.: Order \$25,000.00		
Mar. 12, 1962	Order 10,000.00	35,000.00	32,337.07
April 9, 1962	Legislative Committee for Art Purchases	200.00	104.05
Mar. 12, 1962	Post Office: Postage and Maintenance	75,000.00	57,317.23
		203,700.00	168,910.94

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Public Welfare		
Mar. 12, 1962	Main Office: Salaries.....	2,300.00	2,120.24
Jan. 29, 1962	Child Welfare Branch: Services, Grants, etc., under The Child Welfare Act: Stenographic Services in Unorganized Territory, Legal Costs and Sundry Administration	6,000.00	5,912.42
Mar. 12, 1962	Field Services Branch: Salaries.....	69,000.00	68,059.59
Mar. 12, 1962	General Welfare Assistance Branch: General Welfare Assistance.....	3,000,000.00	2,933,943.44
Feb. 26, 1962	Homes for the Aged Branch: Grants: Subsidies on Operation and Maintenance Costs: The Charitable Institutions Act.....	99,000.00	71,786.83
Jan. 15, 1962	Welfare Allowances Branch: Travelling Expenses.....	1,500.00	945.51
Mar. 12, 1962	Allowances in accordance with The Mothers' and Dependent Children's Allowances Act.....	370,000.00	330,401.18
Mar. 12, 1962	Assistance in accordance with The Old Age Assistance Act, etc.....	200,000.00	169,430.83
Nov. 20, 1961	Rehabilitation Services: Travelling Expenses.....	4,000.00	1,964.70
Jan. 15, 1962	Rehabilitation Services, Allowances, etc.....	35,000.00	32,008.63
		3,786,800.00	3,616,573.37
	Department of Public Works		
Jan. 3, 1962	Ontario Government Buildings: Maintenance, Services, Repairs:		
Feb. 19, 1962	Horticulture and Upkeep of Grounds.....	5,000.00	5,000.00
	Communication Services.....	160,000.00	148,436.89
Jan. 29, 1962	Locks, Bridges, Dams and Docks, etc.: Maintenance of Locks, Bridges, Dams and Docks, etc.....	18,000.00	12,347.64
Jan. 15, 1962	Aid to Drainage: Grants in Aid of Drainage Work.....	150,000.00	149,998.59
Feb. 26, 1962	Salaries and Expenses in connection with preparing Drainage Schemes and for Construction, Improvement or Reconstructing of Trunk Channels for Farm Drainage in Northern Ontario, etc...	7,000.00	7,000.00
Feb. 26, 1962	Miscellaneous: Grants towards the cost of Construction of New Jail Accommodation.....	15,000.00	14,897.19
Dec. 19, 1961	Dredging—Muskoka Lakes.....	11,000.00	10,625.21
		366,000.00	348,305.52
	Department of Reform Institutions		
Mar. 27, 1962	Main Office: Workmen's Compensation Board—Awards and Costs.....	5,000.00	2,612.57
Mar. 27, 1962	Grants.....	19,000.00	9,729.65
		24,000.00	12,342.22

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Transport		
Jan. 22, 1962	Main Office: Unemployment Insurance Stamps	2,000.00	1,148.61
Mar. 27, 1962	Motor Vehicles Administration: Salaries	90,000.00	71,145.74
April 2, 1962	Travelling Expenses	15,000.00	12,316.49
Feb. 26, 1962	Fees, etc.	20,000.00	19,936.86
		127,000.00	104,547.70
	Department of Travel and Publicity		
Feb. 5, 1962	Main Office: Travelling Expenses	1,000.00	980.11
Dec. 28, 1961	Memberships in and Grants to Travel Organizations: Order \$50,000.00		
April 2, 1962	Order 5,000.00	55,000.00	54,302.55
Dec. 28, 1961	Information Branch: Operation of Official Reception Centres, etc., including Purchase and Rental of Equipment, etc.	3,000.00	2,980.88
Feb. 5, 1962	Historical Branch: Salaries	1,000.00	704.84
		60,000.00	58,968.38
	Treasury Department		
Nov. 27, 1961	Main Office: Salaries	21,000.00	9,124.33
Nov. 27, 1961	Travelling Expenses	2,000.00	1,489.25
April 16, 1962	Maintenance	4,000.00	2,360.01
April 16, 1962	Premium on Fidelity Bonds	2,500.00	2,333.05
Mar. 5, 1962	Unemployment Insurance Stamps	8,000.00	7,997.48
Nov. 27, 1961	Comptroller of Revenue: Salaries	175,000.00	45,669.07
Nov. 27, 1961	Travelling Expenses	87,000.00	25,588.42
Nov. 27, 1961	Maintenance: Order \$600,000.00		
April 24, 1962	Order 60,000.00	660,000.00	653,244.23
Feb. 26, 1962	Ontario Racing Commission: Travelling Expenses	5,000.00	2,202.86
Feb. 26, 1962	Maintenance: Order \$ 1,000.00		
April 16, 1962	Order 42,000.00	43,000.00	42,815.08
Nov. 27, 1961	Tabulating Branch: Salaries	38,000.00	31,728.96
Nov. 27, 1961	Travelling Expenses	1,000.00	733.87
Nov. 27, 1961	Maintenance	79,000.00	60,658.17
Jan. 15, 1962	Civil Service Commission: Salaries	38,000.00	30,161.88
Jan. 15, 1962	Maintenance	22,000.00	21,995.58
Jan. 15, 1962	Position Evaluation Survey	150,000.00	144,093.06
		1,335,500.00	1,082,195.30
	Total Ordinary Treasury Board Orders	12,150,013.52	10,573,092.99

DATE OF ORDER	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	CAPITAL		
	Department of Agriculture		
Feb. 19, 1962	Main Office: Loans in accordance with The Co-operative Loans Act.....	208,300.00	88,300.00
	Department of Mines		
April 9, 1962	Main Office: Construction of Mining and Access Roads.....	225,000.00	211,953.51
	Department of Public Welfare		
Mar. 12, 1962	Welfare Allowances Branch: Assistance in accordance with The Old Age Assistance Act, etc.....	223,000.00	187,456.92
Jan. 15, 1962	Rehabilitation Services: Rehabilitation Services, Allowances, etc.....	35,000.00	32,008.62
		258,000.00	219,465.54
	Total Capital Treasury Board Orders.....	691,300.00	519,719.05
	Total Treasury Board Orders.....	12,841,313.52	11,092,812.04

SPECIAL WARRANTS

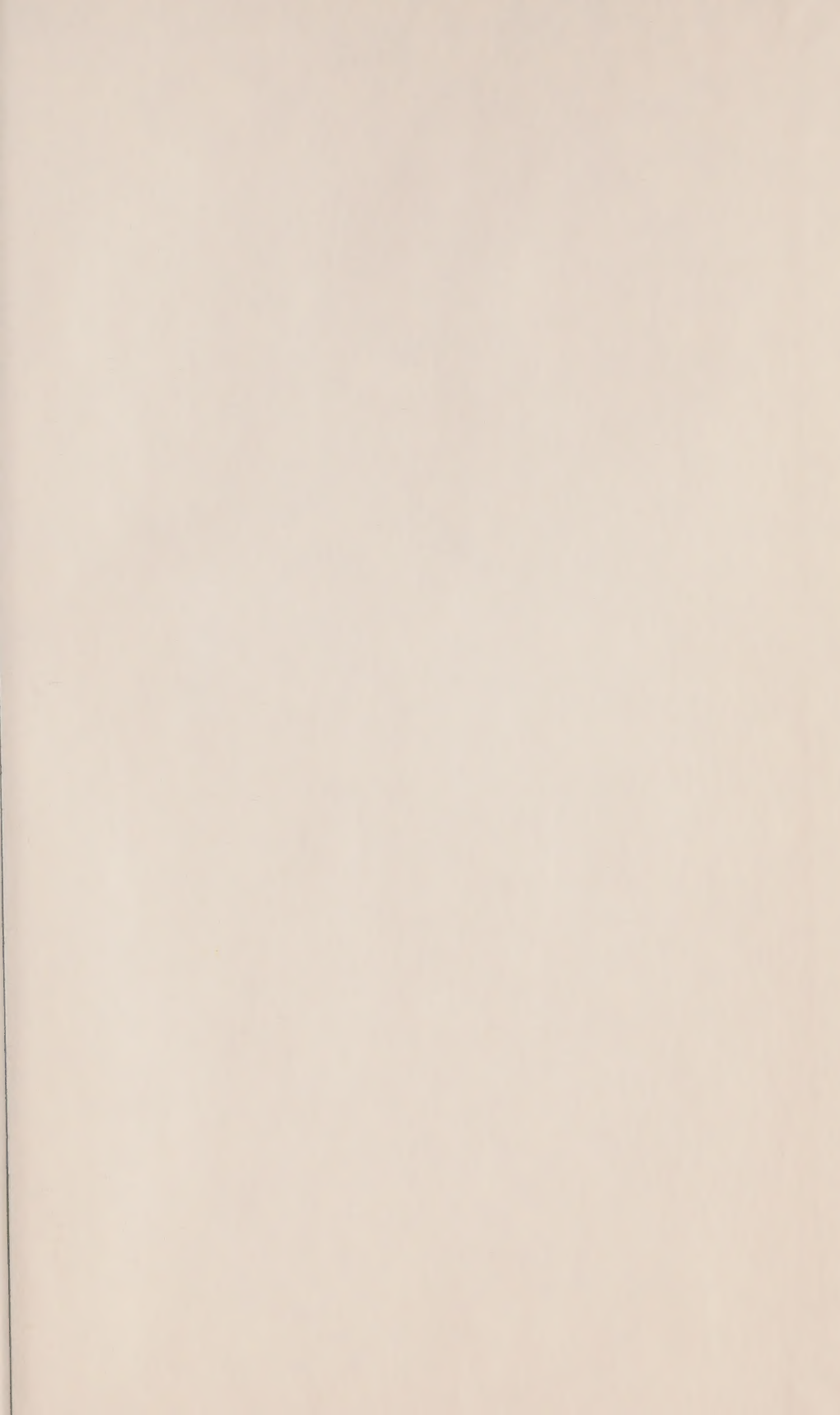
STATEMENT OF SPECIAL WARRANTS ISSUED DURING THE FISCAL YEAR
ENDED MARCH 31, 1962

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	ORDINARY		
	Department of Agriculture		
May 25, 1961	Payments for losses suffered by owners of cattle, horses, sheep, swine and goats in the Province of Ontario, by reason of Rabies, since the 1st day of July, 1960.....	10,000.00	9,997.00
Nov. 21, 1961	Purchase of approximately 1,200 tons of hay in areas in Northern Ontario at approximately \$27.00 per ton and to sell such hay to Farmers in Mountjoy Township and other isolated areas in Northern Ontario at \$14.00 per ton.....	20,000.00	12,250.32
		30,000.00	22,247.32
	Department of Attorney General		
April 27, 1961	Payment of salaries and other expenses arising pursuant to The Coroners Amendment Act, 1960-61	40,000.00	28,673.24
Aug. 3, 1961	Provisional County of Haliburton for the purpose of erecting a new Registry Office at Minden.....	24,000.00	24,000.00
Nov. 2, 1961	Payment of two educational grants, one on behalf of a Probation Officer attending University College, London, England and the other on behalf of a Probation Officer attending Sacramento State College, California, U.S.A., neither of these courses is available in a Canadian University.....	3,000.00	3,000.00
		67,000.00	55,673.24
	Department of Economics and Development		
Oct. 18, 1961	Constructing an extension to the Ontario Research Foundation Pilot Plant at Rexdale.....	35,350.00	35,350.00
	Department of Education		
July 20, 1961	Grant to Laurentian University of Sudbury for the acquisition of laboratory equipment, library, furniture and other capital assets from the University of Sudbury in accordance with the terms of federation and to meet certain other extraordinary obligations including the reduction of bank overdraft and other debt incurred in the founding of the University and its first year's operation.....	250,000.00	250,000.00
Sept. 21, 1961	Payment of ten scholarships in the amount of \$1,500.00 each to African Students through the African Students Foundation.....	15,000.00	15,000.00
		265,000.00	265,000.00

DATE OF WARRANT	SERVICE	AUTHORIZED	EXPENDED
		\$ c.	\$ c.
	Department of Health		
May 11, 1961	Canadian National Institute for the Blind, for the purpose of providing assistance towards the cost of construction of a Summer Camp on Lake Rosseau in Muskoka.....	50,000.00	50,000.00
Oct. 18, 1961	Special capital grant to the Wellesley Hospital, Toronto, Ontario.....	456,312.00	456,312.00
		506,312.00	506,312.00
	Department of Lands and Forests		
June 8, 1961	Foleyet Flood Relief Fund Committee.....	25,000.00	25,000.00
	Department of Mines		
June 15, 1961	Payment to Elmer O. Johnson for the purpose of providing equitable settlement of a claim against the Crown arising out of an error which occurred in the office of the Mining Recorder at Sioux Lookout.....	296.70	296.70
	Department of Municipal Affairs		
May 25, 1961	Assistance towards reducing the cost suffered as a result of the flood which struck the Township of Mountjoy.....	48,101.12	48,101.12
	Department of Public Welfare		
April 12, 1961	Payment to Scott Mission for the purpose of assisting the said Mission with the costs of constructing and equipping a new building to be used in providing meals to the needy.....	200,000.00	200,000.00
July 6, 1961	Payment of allowances to, and the travelling and living expenses of the members of the Minister's Advisory Committee on Child Welfare.....	10,000.00	7,470.08
		210,000.00	207,470.08
	Department of Reform Institutions		
Nov. 2, 1961	Assistance re cost of additions and renovations at St. Joseph's Training School for Boys, Alfred.....	112,000.00	112,000.00
Nov. 2, 1961	Assistance re cost of constructing a new wing at St. Mary's Training School for Girls, Downsview....	45,000.00	45,000.00
Nov. 9, 1961	Compassionate Allowance to Gary David Blake who was injured while in custody at the Ontario Reformatory, Millbrook.....	3,675.00	3,675.00
Nov. 16, 1961	Special grant to St. John's Training School for Boys, Uxbridge.....	85,000.00	85,000.00
		245,675.00	245,675.00
	Total Special Warrants.....	1,432,734.82	1,411,125.46



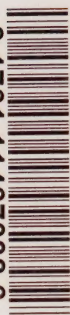






BINDING SECT. JUL 30 1980

GOVT PUBNS



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